

## **RFP 2017-01 Auditing Services Questions & Answers**

1. What is the size and experience of the accounting staff?  
1 CFO – 16 years with CSCR.  
1 Accountant – 8 months with CSCR.
2. Does your Organization maintain the depreciation schedule or does the prior auditor?  
CSCR maintains the depreciation schedule.
3. What has been the total fees paid for financial auditing services for each of the past three (3) years?  
CSCR believes that providing this information at this time will inhibit the competitiveness of the procurement.
4. Approximately how many audit adjusting journal entries were made during the 2016 audit?  
Three.
5. Do you maintain the various grant programs as separate funds or separate cost centers?  
Yes.
6. What has been the typical audit team size and fieldwork duration (days or weeks)?  
Two auditors on site for about 4 days.
7. Does the Organization have a retirement plan that requires the preparation of a Form 5500? If so, is this prepared by another party or the auditor? How is the fee billed?  
Yes. The 5500 is prepared by another party and not the auditor.
8. What financial software is utilized by the Organization?  
Sage 100 Fund Accounting.
10. Do you have a formal financial and program monitoring program? If so, how is it performed?  
Yes. CSCR's CFO performs the sub recipient monitoring and CSCR's Policy and Compliance Manager performs the programmatic monitoring.
11. Would you provide us a copy of our most recent audited financial report?  
Attached.
12. How many consecutive years had the prior firm performed your audit?  
Five.

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

**FINANCIAL STATEMENTS**

**JUNE 30, 2016 AND 2015**

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A  
 CAREERSOURCE CAPITAL REGION  
 TABLE OF CONTENTS  
 JUNE 30, 2016 AND 2015**

	<b>Page(s)</b>
<b>Independent Auditors' Report</b>	1 – 3
<b>Management's Discussion and Analysis</b>	4 – 6
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements</b>	
Statements of Net Position	7
Statements of Activities	8
<b>Fund Financial Statements</b>	
Balance Sheets – Governmental Fund	9
Statements of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	10
Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statements of Activities	11
<b>Notes to Financial Statements</b>	12 – 21
<b>Schedule of Expenditures of Federal Awards</b>	22 – 23
<b>Notes to Schedule of Expenditures of Federal Awards</b>	24
<b>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></b>	25 – 26
<b>Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance in Accordance with Uniform Guidance</b>	27 – 28
<b>Schedule of Findings and Questioned Costs</b>	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

We have audited the accompanying financial statements of the governmental activities and each 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 years ended June 30, 2016 and 2015, 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.

#### *Auditors' Responsibility*

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

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

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

- 1 -

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### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Big Bend Jobs and Education Council, Inc., d/b/a CareerSource Capital Region, as of June 30, 2016 and 2015, and the respective changes in financial position, thereof for the years 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 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 opinions 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 November 2, 2016 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.

James Moore & Co., P.L.

Tallahassee, Florida  
November 2, 2016

**BIG BEND JOBS AND EDUCATION COUNCIL, INC., D/B/A  
CAREERSOURCE CAPITAL REGION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016 AND 2015**

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, 2016 and 2015.

**Financial Highlights**

The assets of CareerSource Capital Region exceeded its liabilities at June 30, 2016 by \$300,814. Approximately 20% of this total, or \$59,981 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 7 – 8 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.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC., D/B/A  
CAREERSOURCE CAPITAL REGION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016 AND 2015**

*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*.

The basic governmental fund financial statements can be found on pages 9 – 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 12 – 21 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents a Schedule of Expenditures of Federal Awards which can be found on pages 22 – 24 of this report. This schedule lists all Federal grants awarded to CareerSource Capital Region and the related expenditures for the fiscal year ended June 30, 2016.

**Government-wide Financial Analysis**

	<b>Condensed Statements of Net Position</b>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Current Assets	\$ 1,090,068	\$ 621,791	\$ 905,127
Capital Assets, net	59,981	86,251	123,465
Total Assets	<u>1,150,049</u>	<u>708,042</u>	<u>1,028,592</u>
Long-term liabilities outstanding	35,106	20,429	5,880
Other Liabilities	814,129	380,921	672,881
Total Liabilities	<u>849,235</u>	<u>401,350</u>	<u>678,761</u>
Net investment in capital assets	59,981	86,251	123,465
Unrestricted	240,833	220,441	226,366
Net Position	<u>\$ 300,814</u>	<u>\$ 306,692</u>	<u>\$ 349,831</u>

At the end of each fiscal year above, CareerSource Capital Region is able to report a positive balance in net position.



**BIG BEND JOBS AND EDUCATION COUNCIL, INC., D/B/A  
CAREERSOURCE CAPITAL REGION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

	<b>Condensed Statements of Activities</b>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Program revenues:			
Operating grants and contributions	\$ 5,460,576	\$ 6,023,736	\$ 6,168,899
Capital grants and contributions	26,433	5,498	67,761
Total program revenues	<u>5,487,009</u>	<u>6,029,234</u>	<u>6,236,660</u>
General revenues:			
Other	58,455	49,358	15,945
Total revenues	<u>5,545,464</u>	<u>6,078,592</u>	<u>6,252,605</u>
Expenses:			
Training, retraining and readjustment	5,551,342	6,121,731	6,251,906
Change in net position	(5,878)	(43,139)	699
Net position, beginning of year	<u>306,692</u>	<u>349,831</u>	<u>349,132</u>
Net position, end of year	<u>\$ 300,814</u>	<u>\$ 306,692</u>	<u>\$ 349,831</u>

**Capital Asset Administration**

CareerSource Capital Region's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$59,981 (net of accumulated depreciation). Additional information on CareerSource Capital Region's capital assets can be found in Note II B to the financial statement on page 17.

**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  
325 John Knox Road, Atrium Building, Suite 102  
Tallahassee, Florida 32303

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A  
 CAREERSOURCE CAPITAL REGION  
 STATEMENTS OF NET POSITION  
 JUNE 30, 2016 AND 2015**

<u>ASSETS</u>	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 260,488	\$ 177,289
Grant, contract and other receivables	828,010	441,472
Prepaid items	1,570	3,030
Capital assets, net of accumulated depreciation	59,981	86,251
<b>Total Assets</b>	<u>1,150,049</u>	<u>708,042</u>
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	631,730	308,302
Deferred revenue	174,399	51,619
Noncurrent liabilities:		
Due within one year	8,000	21,000
Due in more than one year	35,106	20,429
<b>Total Liabilities</b>	<u>849,235</u>	<u>401,350</u>
<u>NET POSITION</u>		
Net investment in capital assets	59,981	86,251
Unrestricted	240,833	220,441
<b>Total Net Position</b>	<u>\$ 300,814</u>	<u>\$ 306,692</u>

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

BIG BEND JOBS AND EDUCATION COUNCIL, INC., D/B/A  
 CAREER SOURCE CAPITAL REGION  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016			Net (Expense) Revenue and Changes in Net Position Governmental Activities
	Program Revenues			
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Functions/Programs</b>				
Governmental activities:				
Training, retraining and readjustment	\$ 5,551,342	\$ 5,460,576	\$ 26,433	\$ (64,333)
Total governmental activities	<u>\$ 5,551,342</u>	<u>\$ 5,460,576</u>	<u>\$ 26,433</u>	(64,333)
General revenues:				
Other				58,455
Change in net position				(5,878)
Net position, beginning of year				306,692
Net position, end of year				<u>\$ 300,814</u>

	2015			Net (Expense) Revenue and Changes in Net Position Governmental Activities
	Program Revenues			
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Functions/Programs</b>				
Governmental activities:				
Training, retraining and readjustment	\$ 6,121,731	\$ 6,023,736	\$ 5,498	\$ (92,497)
Total governmental activities	<u>\$ 6,121,731</u>	<u>\$ 6,023,736</u>	<u>\$ 5,498</u>	(92,497)
General revenues:				
Other				49,358
Change in net position				(43,139)
Net position, beginning of year				349,831
Net position, end of year				<u>\$ 306,692</u>

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A  
 CAREERSOURCE CAPITAL REGION  
 BALANCE SHEETS -  
 GOVERNMENTAL FUND  
 JUNE 30, 2016 AND 2015**

	General Fund	
	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	\$ 260,488	\$ 177,289
Grant, contract, and other receivables	828,010	441,472
Prepaid items	1,570	3,030
<b>Total Assets</b>	<b>\$ 1,090,068</b>	<b>\$ 621,791</b>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 631,730	\$ 308,302
Deferred revenue	174,399	51,619
<b>Total Liabilities</b>	<b>806,129</b>	<b>359,921</b>
Fund balances:		
Nonspendable	1,570	3,030
Assigned for compensated absence liability	43,106	41,429
Assigned for training, retraining and adjustment	126,631	123,354
Unassigned	112,632	94,057
<b>Total Fund Balance</b>	<b>283,939</b>	<b>261,870</b>
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.	59,981	86,251
Compensated absence liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(43,106)	(41,429)
<b>Net position of governmental activities</b>	<b>\$ 300,814</b>	<b>\$ 306,692</b>

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A  
 CAREERSOURCE CAPITAL REGION  
 STATEMENTS OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
 FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	General Fund	
	2016	2015
<b>Revenues</b>		
Grants and contracts	\$ 5,487,009	\$ 6,029,234
Other	58,455	49,358
Total revenues	<u>5,545,464</u>	<u>6,078,592</u>
<b>Expenditures</b>		
Personnel and benefits	1,203,501	1,130,204
Travel	50,196	42,847
Communication and utilities	50,061	48,567
Printing and supplies	40,837	39,895
Rent	736,852	647,701
Direct program	2,841,376	3,865,258
Insurance	18,843	18,823
Professional fees	63,664	95,502
Advertising	60,798	70,204
Repairs and maintenance	20,366	23,744
Other	410,468	82,337
Capital outlay	26,433	5,498
Total expenditures	<u>5,523,395</u>	<u>6,070,580</u>
<b>Net change in fund balance</b>	<u>22,069</u>	<u>8,012</u>
<b>Fund balance, beginning of year</b>	261,870	253,858
<b>Fund balance, end of year</b>	<u><u>\$ 283,939</u></u>	<u><u>\$ 261,870</u></u>

The accompanying notes to financial statements  
 are an integral part of these 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 YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Amounts reported for governmental activities in the statement of activities (page 8) are different because:		
Net change in fund balance - total governmental fund (page 10)	\$ 22,069	\$ 8,012
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	26,433	5,498
Depreciation expense	(51,306)	(38,915)
	(24,873)	(33,417)
The net effect of various miscellaneous transactions involving disposal of capital assets is to decrease net position.	(1,397)	(3,797)
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:		
Compensated absences and other	(1,677)	(13,937)
Change in net position of governmental activities (page 8)	\$ (5,878)	\$ (43,139)

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC., D/B/A  
CAREERSOURCE CAPITAL REGION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016 AND 2015**

**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 I, 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, 2016 AND 2015**

**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 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, 2016 AND 2015**

**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, 2016 AND 2015**

**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, 2016 AND 2015**

**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 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.

**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, 2016 and 2015 the advertising cost were \$60,798 and \$70,024, respectively.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A  
CAREERSOURCE CAPITAL REGION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016 AND 2015**

**II. Detailed Notes on 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 \$260,488 and the bank balance was \$173,173. Of the bank balance, \$173,173 was insured up to Federal Deposit Insurance Corporation ("FDIC") Limits.

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2016, was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>
Furniture, fixtures and equipment	\$ 707,736	\$ -	\$ (442,035)	\$ 265,701
Vehicles	289,725	-	-	289,725
Leasehold improvements	139,706	26,433	(139,706)	26,433
	<u>1,137,167</u>	<u>26,433</u>	<u>(581,741)</u>	<u>581,859</u>
Less accumulated depreciation	<u>(1,050,916)</u>	<u>(51,306)</u>	<u>580,344</u>	<u>(521,878)</u>
Capital assets, net	<u>\$ 86,251</u>	<u>\$ (24,873)</u>	<u>\$ (1,397)</u>	<u>\$ 59,981</u>

\$51,306 of depreciation expense was allocated to the training program during the year ended June 30, 2016.

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2014</u>
Furniture, fixtures and equipment	\$ 846,186	\$ 5,498	\$ (143,948)	\$ 707,736
Vehicles	289,725	-	-	289,725
Leasehold improvements	139,706	-	-	139,706
	<u>1,275,617</u>	<u>5,498</u>	<u>(143,948)</u>	<u>1,137,167</u>
Less accumulated depreciation	<u>(1,152,152)</u>	<u>(38,915)</u>	<u>140,151</u>	<u>(1,050,916)</u>
Capital assets, net	<u>\$ 123,465</u>	<u>\$ (33,417)</u>	<u>\$ (3,797)</u>	<u>\$ 86,251</u>

\$38,915 of depreciation expense was allocated to the training program during the year ended June 30, 2015.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A  
CAREERSOURCE CAPITAL REGION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016 AND 2015**

**II. Detailed Notes on All Funds: (Continued)**

**C. Operating Leases**

CareerSource Capital Region has entered into copier lease agreements, expiring in March 2020 and building leases expiring October 2026. For the years ended June 30, 2016 and 2015, rental expense under the terms of these leases totaled \$736,852 and \$647,701, respectively. Future minimum lease payments under these leases are as follows:

Year Ending June 30,	Minimum Payments
2017	\$ 472,369
2018	440,838
2019	346,104
2020	305,760
2021	293,887
2022-2026	1,562,543
Thereafter	219,738
Total	\$ 3,641,239

**D. Long-term Debt**

*Changes in Long-term Liabilities.* Long-term liability activity for the year ended June 30, 2016, was as follows:

	Balance 07/01/15	Additions	Reductions	Balance 06/30/16	Due within one year
<b>Governmental activities</b>					
Compensated absences	\$ 41,429	\$ 36,196	\$ 34,519	\$ 43,106	\$ 8,000

Long term liability activity for the year ended June 30, 2015, was as follows:

	Balance 07/01/14	Additions	Reductions	Balance 06/30/15	Due within one year
<b>Governmental activities</b>					
Compensated absences	\$ 27,492	\$ 34,478	\$ 20,541	\$ 41,429	\$ 21,000

**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, 2016 and 2015 was \$59,958 and \$47,092, respectively.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A  
 CAREERSOURCE CAPITAL REGION  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2016 AND 2015**

**II. Detailed Notes on All Funds: (Continued)**

**F. Deferred 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, 2016 and 2015, deferred revenue from grant drawdowns made prior to meeting all eligibility requirements was \$174,399 and \$51,619, respectively.

**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, 2016 and 2015 are as follows:

	Amount Paid		Amount Due	
	2016	2015	2016	2015
Economic development assistance	\$ -	\$ 28,307	\$ -	\$ 9,114
Direct services	-	-	-	-

**III. Other Information:**

**A. 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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A  
CAREERSOURCE CAPITAL REGION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016 AND 2015**

**III. Other Information: (Continued)**

**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 income tax returns in the U.S. Federal jurisdiction. CareerSource Capital Region's income tax 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.

**Litigation**—The Organization has been named in a lawsuit. The Organization believes the claim has no merit and the current position is to vigorously contest any such claims or litigation. The Organization believes that resolution of this suit will not have a material adverse effect on its financial position.

**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, this were to occur, could have an adverse effect on CareerSource Capital Region's programs and activities.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A  
CAREERSOURCE CAPITAL REGION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016 AND 2015**

**III. Other Information: (Continued)**

**E. Subsequent Events**

CareerSource Capital Region has evaluated events and transactions for potential recognition or disclosure in the financial statements through November 2, 2016, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

**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  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal CFDA Number	Pass-Through Entify Award Number	Pass-Through to Subrecipients	Expenditures
<b>FEDERAL AWARDS</b>				
<b>U. S. Department of Labor</b>				
H-1B Job Training Grants	17.268	HG-26654-15-60-A-12	8,330	\$ 119,283
WIOA National Dislocated Worker Grants/ WIA National Emergency Grants	17.277	WNJD15	-	84,293
Passed through State of Florida, Department of Economic Opportunity				
Employment Service/Wagner – Peyser Funded Activities	17.207	WPA15	28,408	28,827
Employment Service/Wagner – Peyser Funded Activities	17.207	WPA16	29,694	240,000
Employment Service/Wagner – Peyser Funded Activities	17.207	WPB15	-	58,757
Disabled Veterans' Outreach Program (DVOP)	17.801	DVP15	-	19,903
Disabled Veterans' Outreach Program (DVOP)	17.801	DVP16	-	52,920
Disabled Veterans' Outreach Program (DVOP)	17.801	LVR15	-	89
Disabled Veterans' Outreach Program (DVOP)	17.801	LVR16	-	1,918
<b>Total Employment Service Cluster Expenditures</b>			<b>58,102</b>	<b>402,414</b>
Passed through State of Florida, Department of Economic Opportunity				
Unemployment Insurance	17.225	UCB15	2,884	8,784
Unemployment Insurance	17.225	UCB16	23,382	26,350
			<u>26,266</u>	<u>35,134</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**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, 2016**  
 (Continued)

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Award Number	Pass-Through to Subrecipients	Expenditures
<b>FEDERAL AWARDS (Continued)</b>				
<b>U. S. Department of Labor</b>				
Passed through State of Florida, Department of Economic Opportunity				
WIA/WIOA Adult Program	17.258	WIA15	\$ 55,073	\$ 76,341
WIA/WIOA Adult Program	17.258	WIA16	513,204	711,399
WIA/WIOA Youth Activities	17.259	WIS14	7,179	16,667
WIA/WIOA Youth Activities	17.259	WY16	502,451	1,166,477
WIA/WIOA Youth Activities	17.259	WY17	73,302	170,175
WIA/WIOA Dislocated Worker Formula Grants	17.278	WID15	102,166	790,484
WIA/WIOA Dislocated Worker Formula Grants	17.278	WID16	19,385	149,985
<b>Total WIA/WIOA Cluster Expenditures</b>			<b>1,272,760</b>	<b>3,081,528</b>
Passed through State of Florida, Department of Economic Opportunity				
Passed through CareerSource North Central Florida Workforce Innovation Fund	17.283	NA	-	137,734
<b>U. S. Department of Agriculture</b>				
Passed through State of Florida, Department of Economic Opportunity				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FSH15	58,175	112,191
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FSH16	102,935	222,509
			<b>161,110</b>	<b>334,700</b>
<b>U. S. Department of Health and Human Services</b>				
Passed through State of Florida, Department of Economic Opportunity				
Temporary Assistance for Needy Families	93.558	WTS15	328,129	336,060
Temporary Assistance for Needy Families	93.558	WTS16	254,818	944,544
			<b>582,947</b>	<b>1,280,604</b>
			<b>\$ 2,109,515</b>	<b>\$ 5,475,690</b>
<b>TOTAL EXPENDITURE OF FEDERAL AWARDS</b>				

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A  
CAREERSOURCE CAPITAL REGIONS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016**

**(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, 2016 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 minimus 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., d/b/a CareerSource Capital Region ("CareerSource Capital Region") as of and for the year ended June 30, 2016, 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 November 2, 2016.

**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 opinions 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.

- 25 -

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### 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.

James Moore & Co., P.L.C.

Tallahassee, Florida  
November 2, 2016

**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, 2016. 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, 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.

- 27 -

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***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, 2016.

**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.

*James Moore & Co., P.L.C.*

Tallahassee, Florida  
November 2, 2016

**BIG BEND JOBS AND EDUCATION COUNCIL, INC. D/B/A  
 CAREERSOURCE CAPITAL REGION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 2016**

**I. Summary of Auditors' Results:**

*Financial Statements*

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

Identification of major programs:

Federal Program	Federal CFDA Number
WIA/WIOA Adult Program	17.258*
WIA/WIOA Youth Activities	17.259*
WIA/WIOA Dislocated Worker Formula Grants	17.278*

\*Cluster of Programs as defined by the Uniform Guidance



**BIG BEND JOBS AND EDUCATION COUNCI, INC. D/B/A  
CAREERSOURCE CAPITAL REGION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2016  
(Continued)**

**I. Summary of Auditors' 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 One Stop Management Information System.

**V. Federal Award Summary Schedule of Prior Year Findings:**

There were no audit findings for the year ended June 30, 2015