

**CHIPOLA REGIONAL  
WORKFORCE DEVELOPMENT BOARD, INC.  
D/B/A CAREERSOURCE CHIPOLA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2022**

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
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**JUNE 30, 2022**

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## **INDEPENDENT AUDITORS' REPORT**

To CareerSource Chipola of Directors,  
Chipola Regional Workforce Development Board, Inc.  
d/b/a CareerSource Chipola:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and the general fund of Chipola Regional Workforce Development Board, Inc., d/b/a CareerSource Chipola ("CareerSource Chipola") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the CareerSource Chipola'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 Chipola, as of June 30, 2022, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audits 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 Chipola and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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(o) 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 Chipola'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 Chipola'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' Responsibilities for the Audits 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 audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Chipola'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 Chipola'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 audits, 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.

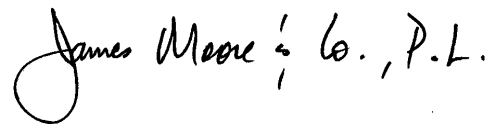
### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise CareerSource Chipola's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023, on our consideration of CareerSource Chipola'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 the 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 Chipola's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style with a large loop at the beginning.

Tallahassee, Florida  
March 28, 2023

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**JUNE 30, 2022**

Management is pleased to offer the following assessment of the operations of Chipola Regional Workforce Development Board, Inc. d/b/a CareerSource Chipola ("CareerSource Chipola") for the year ended June 30, 2022.

**Overview of Financial Statements**

This discussion and analysis is intended to serve as an introduction to CareerSource Chipola's basic financial statements. CareerSource Chipola'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 Chipola'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 Chipola'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 Chipola is improving or deteriorating.

The *statement of activities* presents information showing how CareerSource Chipola'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 location of the basic government-wide financial statements can be found in the table of contents.

**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 Chipola uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. CareerSource Chipola maintains one governmental fund, which is the General fund.

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**JUNE 30, 2022**  
(Continued)

**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 location of the basic governmental fund financial statements can be found in the table of contents in 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 location of the notes to the financial statements can be found in the table of contents.

**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 Chipola and the related expenditures for the fiscal year ended June 30, 2022. The location of the Schedule of Expenditures of Federal Awards can be found in the table of contents.

**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.

<b>Condensed Statements of Net Position</b>		
	<b>2022</b>	<b>2021</b>
Current assets	\$ 958,064	\$ 1,271,096
Capital assets, net	580,567	90,548
Total assets	<u>1,538,631</u>	<u>1,361,644</u>
Current liabilities	226,653	507,224
Noncurrent liabilities	791,693	250,912
Total liabilities	<u>1,018,346</u>	<u>758,136</u>
Net investment in capital assets	43,951	90,548
Unrestricted	476,334	512,960
Net position	<u><u>\$ 520,285</u></u>	<u><u>\$ 603,508</u></u>

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**JUNE 30, 2022**  
(Continued)

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

	<b>Condensed Statement of Activities</b>	
	<b>2022</b>	<b>2021</b>
Program revenues:		
Charges for services, operating grants and contributions	\$ 2,993,986	\$ 4,687,002
General revenues:		
Other	1,577	1,657
Total revenues	2,995,563	4,688,659
Expenses:		
Training, retraining and readjustment	3,078,786	4,710,058
Change in net position	(83,223)	(21,399)
Net position, beginning of year	603,508	624,907
Net position, end of year	<u>\$ 520,285</u>	<u>\$ 603,508</u>

## **OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS**

### **Governmental Activities**

The assets of CareerSource Chipola exceeded its liabilities at June 30, 2022 by \$520,285. Approximately 8% of this total, or \$43,951 is invested in capital assets.

Decreases in current assets and current liabilities compared to prior year are the result of the timing of payments during the course of the fiscal year. Total assets and liabilities increased with the prior year due to the implementation of the GASB 87 lease accounting standard, which resulted in the recording of a right-to-use asset and lease liability during the year ended June 30, 2022.

Decreases in program revenues and related program expenses are the result of decreases in grant activity related primarily to the National Emergency Grants. Expenses exceed revenues for the Board's Opportunity Florida program, which contributed to the net loss for the year ending June 30, 2022.

## **THE BOARD'S INDIVIDUAL FUND**

### **General Fund**

The General Fund receives its funding under cash advance and cost reimbursement contracts. If at the end of the fiscal year, an advance is not sufficient to cover applicable expenditures, a receivable is created. If an advance is in excess of applicable expenditures, a refundable advance is reported. Consequently, revenues will generally equal expenditures with a small profit due to charges for services not funded by grants. The fund balance represents amounts received prior to the Job Training Partnership Act (JTPA) from performance grants and other charges for services.

The \$32,461 decrease in fund balance for Program Year 2022 was a result of expenditures exceeding revenues for the Board's unrestricted contracts (for example, Opportunity Florida).



**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
D/B/A CAREERSOURCE CHIPOLA  
MANAGEMENT'S DISCUSSION & ANALYSIS  
JUNE 30, 2022  
(Continued)**

**Capital Assets**

Excluding right-to-use assets for leases under GASB Statement No. 87, *Leases*, CareerSource Chipola experienced a decrease in capital assets. Decreases in capital assets during the year ended June 30, 2022, were related to the disposal of certain equipment and the depreciation of capital assets in the amount of \$30,611. CareerSource Chipola implemented GASB Statement No. 87, *Leases* during the year ending June 30, 2022 and as a result, the organization increased right-to-use lease assets by \$630,252 and recorded \$105,042 in amortization expense.

**Debt Administration**

With the implementation of GASB Statement No. 87, *Leases*, CareerSource Chipola had the following lease liability outstanding at June 30, 2022: \$536,616.

**Budgetary Highlights**

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

**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.

**Economic Factors**

94% of the Organization's revenues were generated from federal grants, most of which were passed through the State of Florida's Department of Economic Opportunity. Anything that could influence federal and state appropriations of these funds will have a direct impact on the Organization.

**Request for Information**

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

Chipola Regional Workforce Development Board, Inc.  
d/b/a CareerSource Chipola  
4636 Highway 90 East, Suite K  
Marianna, Florida 32446

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	<u><b>Governmental Activities</b></u>
<u><b>ASSETS</b></u>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 446,559
Certificates of deposit	314,585
Grant, contract and other receivables	192,395
Prepays	4,525
Total current assets	<u>958,064</u>
<b>Non-current assets</b>	
Capital assets	
Furniture and equipment	206,774
Buildings - right-to-use assets	630,252
Less: Accumulated depreciation	(151,417)
Less: Accumulated amortization	(105,042)
Total non-current assets	<u>580,567</u>
<b>Total Assets</b>	<u><u>\$ 1,538,631</u></u>
<u><b>LIABILITIES AND NET POSITION</b></u>	
<b>Current liabilities</b>	
Accounts payable and accrued expenses	\$ 202,582
Unearned revenue	24,071
Total current liabilities	<u>226,653</u>
<b>Non-current liabilities</b>	
Due within one year:	
Compensated absences	21,172
Lease liability	95,879
Due in more than one year:	
Compensated absences	233,905
Lease liability	440,737
Total noncurrent liabilities	<u>791,693</u>
<b>Total Liabilities</b>	<u><u>\$ 1,018,346</u></u>
<b>Net Position</b>	
Net investment in capital assets	\$ 43,951
Unrestricted	476,334
<b>Total Net Position</b>	<u><u>\$ 520,285</u></u>

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

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
D/B/A CAREERSOURCE CHIPOLA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

		<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
<b><u>Functions and Programs</u></b>				
Governmental activities:				
Training, retraining and readjustment	\$ 3,078,786	\$ 178,096	\$ 2,815,890	\$ (84,800)
Total governmental activities	<u>\$ 3,078,786</u>	<u>\$ 178,096</u>	<u>\$ 2,815,890</u>	<u>(84,800)</u>
			General revenues:	
			Interest	<u>1,577</u>
			Change in net position	<u>(83,223)</u>
			<b>Net position, beginning of year</b>	603,508
			<b>Net position, end of year</b>	<u><u>\$ 520,285</u></u>

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

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**BALANCE SHEET - GOVERNMENTAL FUND**  
**JUNE 30, 2022**

	<u><b>General Fund</b></u>
<b>Assets</b>	
Cash and cash equivalents	\$ 446,559
Certificates of deposit	314,585
Grant, contract, and other receivables	192,395
Prepays	4,525
<b>Total Assets</b>	<u><u>\$ 958,064</u></u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 202,582
Unearned revenue	24,071
Total Liabilities	<u><u>226,653</u></u>
<b>Fund Balance</b>	
Nonspendable	
Prepays	4,525
Unassigned	726,886
Total Fund Balance	<u><u>731,411</u></u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 958,064</u></u>

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

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

<b>Fund balances - total governmental fund</b>	<b>\$</b>	<b>731,411</b>
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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

Total governmental capital assets	837,026	
Less: accumulated depreciation and amortization	(256,459)	580,567

Long-term liabilities, including compensated absences and lease liabilities that are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:

Lease liabilities	(536,616)	
Compensated absences	(255,077)	(791,693)

<b>Net position of governmental activities</b>	<b>\$</b>	<b>520,285</b>
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The accompanying notes to financial statements  
are an integral part of this statement.

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u><b>General Fund</b></u>
<b>Revenues</b>	
Grants and contracts	\$ 2,815,890
Other	178,096
Interest	1,577
Total revenues	<u>2,995,563</u>
<b>Expenditures</b>	
Training, retraining and readjustment:	
Personnel and benefits	859,191
Professional fees	18,697
Direct program	1,661,286
Travel and training	9,092
Communication and utilities	115,928
Insurance	26,741
Printing and office supplies	42,416
Occupancy and short-term lease expense	15,291
Repairs and maintenance	5,635
Equipment	81,856
Licenses and software	35,132
Outreach	3,692
Dues and membership	14,949
Other	15,118
Debt service:	
Principal	93,636
Interest	29,364
Total expenditures	<u>3,028,024</u>
<b>Net change in fund balance</b>	<u>(32,461)</u>
<b>Fund balance, beginning of year</b>	763,872
<b>Fund balance, end of year</b>	<u><u>\$ 731,411</u></u>

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

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
D/B/A CAREERSOURCE CHIPOLA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO  
THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>Net Change in Fund Balance - Total Governmental Fund</b>	<b>\$ (32,461)</b>
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.	
Amortization expense	(105,042)
Depreciation expense	(30,611)
Loss on disposition of capital assets	(4,580)
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 the governmental funds.	
Principal payments on lease liability	93,636
Change in compensated absences	(4,165)
<b>Change in net position of governmental activities:</b>	<b><u>\$ (83,223)</u></b>

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

**CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**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 Chipola Regional Workforce Development Board, Inc. (CareerSource Chipola), which affect significant elements of the financial statements:

(a) **Reporting entity**— CareerSource Chipola 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 Chipola 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 3 Local Workforce Investment Area comprised of Calhoun, Holmes, Jackson, Liberty and Washington counties. The governing authority of CareerSource Chipola is its Board of Directors.

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 Chipola. There were no entities that required inclusion as a component unit within CareerSource Chipola's financial statements.

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

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

The Statement of Activities is displayed using a net-cost format and reports the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect costs are included in the program expense reported for individual functions and activities. Program revenues include (1) charges for services that are directly related to a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the general fund, which is CareerSource Chipola's only fund.



**CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

(c) **Measurement focus and basis of accounting**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, CareerSource Chipola considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CareerSource Chipola considers most revenues, such as reimbursement-based grant revenues and charges for service, to be susceptible to accrual and so they have been recognized as revenues in the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received. When both restricted and unrestricted resources are available for use, it is CareerSource Chipola's policy to use restricted resources first, then unrestricted resources as they are needed.

**Major Governmental Fund**—The sole governmental fund used by CareerSource Chipola is the general fund, which is used to account for all financial activity of CareerSource Chipola.

(d) **Cash and cash equivalents**—Cash and cash equivalents of CareerSource Chipola are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(e) **Grants and other receivables**—Grants and other receivables consist of amounts due from grantor agencies for reimbursement of expenditures under various programs. Management has concluded that realization of losses on balance outstanding at year-end will be immaterial.

(f) **Capital assets and depreciation**—Capital assets are defined by CareerSource Chipola as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of the donation. 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. Depreciation of capital assets is computed using the straight-line method over estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Leasehold improvements	30
Equipment	5–10
Vehicles	5

**CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

(g) **Unearned revenues**—Unearned revenues are comprised of amounts received from grantor agencies by CareerSource Chipola prior to meeting revenue recognition criteria. In subsequent periods, when the revenue recognition criteria have been met, the liability for unearned revenues is reduced and revenue is recognized.

(h) **Prepays and other assets**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

(i) **Indirect costs**—CareerSource Chipola receives funds from several sources. Accordingly, indirect administrative and program support costs are allocated between the various programs in the following manner: Indirect administrative costs and indirect program support costs, including indirect salary costs, are charged to either an administrative or program cost pool and allocated to all programs including WTP, WIOA youth, WIOA adult, and WIOA dislocated workers contracts based on each program's direct program costs. Indirect occupancy costs are charged to a cost pool and allocated to all programs based on each program's direct program costs. Indirect occupancy costs are charged to various funding sources or indirect costs pools based on FTE's determined by bi-weekly personnel activity reports. The allocation ratios are determined based upon each program's percentage of total time charged by staff

(j) **Budgets**—The general expenditure authority of CareerSource Chipola, 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.

(k) **Income taxes**—CareerSource Chipola is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income. Since CareerSource Chipola had no taxable unrelated business income during the years ended June 30, 2022, no provision for income taxes is provided in the financial statements.

Management of CareerSource Chipola considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to CareerSource Chipola's status as a not-for-profit entity. Management believes CareerSource Chipola met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore no provision for income taxes has been provided in these financial statements. CareerSource Chipola's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

**CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

(l) **Fund balance**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which CareerSource Chipola is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

**Nonspendable**—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted**—Amounts that can be spent only for specific purposes because of the Bylaws, state or federal laws, or externally imposed conditions by grantors or creditors.

**Committed**—Amounts that can be used only for specific purposes determined by a formal action by ordinance or resolution.

**Assigned**—Amounts that are designated by CareerSource Chipola Directors for a specific purpose but are not spendable until a budget ordinance is passed by CareerSource Chipola Directors.

**Unassigned**—All amounts not included in other spendable classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, CareerSource Chipola considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, CareerSource Chipola considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless CareerSource Chipola Directors has provided otherwise in its commitment or assignment actions.

(m) **Net position flow assumption**—Sometimes CareerSource Chipola will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is CareerSource Chipola's policy to consider restricted net position to have been used before unrestricted net position is applied.

(n) **Leases**—CareerSource Chipola leases building facilities and determines if an arrangement is a lease at inception. CareerSource Chipola recognizes intangible right-to-use (RTU) assets and corresponding lease liabilities for all leases that are not considered short-term. RTU assets represent CareerSource Chipola's right to use an underlying asset for the lease term and lease liabilities represent CareerSource Chipola'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.

**CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

Discount Rate – Unless explicitly stated in the lease agreement, known by CareerSource Chipola, or CareerSource Chipola is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities is 5.5% for applicable leases beginning July 1, 2021 and applicable lease conversions.

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

(o) **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 Chipola has implemented this Statement and its various provisions in 2022.

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheets and the government-wide statements of net position**—Following the governmental fund balance sheets is a reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide statements of net position. The details of these differences are explained in the above referenced financial statements.

(b) **Explanation of certain differences between the governmental fund statements of revenues, expenditures, and changes in fund balance and the government-wide statements of activities**—Following the governmental fund statements of revenues, expenditures, and changes in fund balance, there is a reconciliation between *net change in fund balance – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statements of activities. The details of these differences are explained in the above referenced financial statements.

(3) **Capital Assets and Depreciation:**

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

	<b>Balance July 1, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2022</b>
Furniture, fixtures and equipment	\$ 377,874	\$ -	\$ (171,100)	\$ 206,774
Right-to-use buildings	630,252	-	-	630,252
Less accumulated depreciation	(287,326)	(30,611)	166,520	(151,417)
Less accumulated amortization	-	(105,042)	-	(105,042)
Capital assets, net	<u>\$ 90,548</u>	<u>\$ (494,599)</u>	<u>\$ (4,580)</u>	<u>\$ 580,567</u>

For the year ended June 30, 2022, depreciation expense was \$30,611 and amortization expense was \$105,042, and was charged to training program.

**CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

(4) **Leases:**

*CareerSource Chipola as Lessee*

In fiscal year 2014-2015, CareerSource Chipola entered into a lease agreement with Chipola Land & Development Company, Inc., as lessee for building facilities at 4636 Highway 90 East, Suite K, Marianna, which was last renewed in fiscal year 2020-2021. A right-to-use asset was added to CareerSource Chipola's capital assets for \$630,252 which is included in the building class. The accumulated amortization as of June 30, 2022, was \$105,042. The building facility has a thirty-year estimated useful life. As of June 30, 2022, the present value of the future minimum lease payments was \$536,616. The discount rate applied to the leases is 5.5%.

Lease expense for the right-to-use assets for the years ended June 30, 2022, is as follows:

	<b>June 30, 2022</b>
Buildings	\$ 105,042
Total amortization expense	105,042
Interest on lease liabilities	29,365
<b>Total</b>	<b>\$ 134,407</b>

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

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payments</b>
2023	\$ 95,879	\$ 27,121	\$ 123,000
2024	101,287	21,713	123,000
2025	107,001	15,999	123,000
2026	113,037	9,963	123,000
2027	119,412	3,588	123,000
Total future minimum lease payments	<u>\$ 536,616</u>	<u>\$ 78,384</u>	<u>\$ 615,000</u>

**CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(5) Changes in Long-term Liabilities:**

Eligible employees accrue vacation and sick leave at varying rates based upon length of employment. Annual leave is accrued as earned by employees and recorded as an expense in the period earned. Upon termination, the maximum amount of annual leave that an employee may accumulate and be paid for is 240 hours. An employee may be paid out for sick leave after five (5) years employment with CareerSource Chipola. The employee or employee's family will be paid 100% of the employee's current base salary for the first 240 hours which he or she has accrued (and previously earned) with the remaining hours being paid at 50% of the employee's current base salary, provided the employee does not leave under duress. Compensated absences payable activity and lease liability activity for the year ended June 30, 2022 is as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Compensated absences	\$ 250,912	\$ 6,857	\$ (2,692)	\$ 255,077	\$ 21,172
Lease liability	630,252	—	(93,636)	536,616	95,879
Total liabilities	<u>\$ 881,164</u>	<u>\$ 6,857</u>	<u>\$ (96,328)</u>	<u>\$ 791,693</u>	<u>\$ 117,051</u>

**(6) Retirement Plan:**

CareerSource Chipola sponsors a defined contribution retirement plan which covers substantially all employees. The plan provides for a 16% contribution of the employees' base salary beginning after the probationary employment period, provided funds are available. The amount of retirement expense for the year ended June 30, 2022 was \$81,023.

**(7) Risk Management:**

CareerSource Chipola 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 Chipola carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Personal Property and EDP
- Directors' and Officers' Liability
- Employment Practices Liability
- Auto

**CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(8) Concentrations of Credit Risk and Significant Funding Source:**

(a) **Cash and cash equivalents**—As of June 30, 2022, CareerSource Chipola had demand deposits with one financial institution of \$531,089. CareerSource Chipola has no policy requiring collateral or other security to support its deposits, although all demand deposits with banks are federally insured up to FDIC limitations. The demand deposits with the financial institutions are insured up to \$250,000. At June 30, 2022, CareerSource Chipola had \$281,089 in deposits that exceeded FDIC coverage.

(b) **Grants and other receivables**—CareerSource Chipola's receivables are for amounts due under contracts with the State of Florida and Federal government agencies. CareerSource Chipola has no policy requiring collateral or other security to support its receivables.

(c) **Significant funding source**—During the years ended June 30, 2022 CareerSource Chipola received approximately 94% of its funding from the United States Department of Labor and the United States Department of Health and Human Services passed through the Department of Economic Opportunity. If a significant reduction in the level of this funding were to occur, it could have an adverse effect on CareerSource Chipola's program and activities.

**(9) Contingencies and Uncertainties:**

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 Chipola expects such amounts, if any, to be immaterial.

**(10) Related Parties:**

Certain board members provide services either directly or indirectly to CareerSource Chipola. A description and the amount of the services provided is as follows:

Tuition	\$ 172,300
Dues and Subscriptions	12,800
Utilities	3,271
Rent	3,324
	<u>\$ 191,695</u>

The amount outstanding as payable for these services as of June 30, 2022 was \$31,803.

Additionally, CareerSource Chipola entered into DEO approved contracts with entities of which board members were employed.

**CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**(11) Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (“GASB”) has issued pronouncements that have effective dates that may impact future financial statements. CareerSource Chipola has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements, does not believe that any other new or modified principles will have a material impact on CareerSource Chipola’s reported financial position or operations in the near term.

(a) GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements, in May 2020, GASB Statement No. 96 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.



## **COMPLIANCE SECTION**

**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,  
Chipola Regional Workforce Development Board, Inc. d/b/a CareerSource Chipola:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 the Chipola Regional Workforce Development Board, Inc., d/b/a CareerSource Chipola (CareerSource Chipola) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise CareerSource Chipola's basic financial statements, and have issued our report thereon dated March 28, 2023.

***Report on Internal Control over Financial Reporting***

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

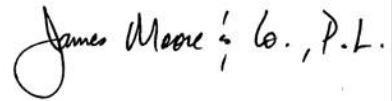
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether CareerSource Chipola'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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in 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  
March 28, 2023

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<b>Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Award Number</b>	<b>Pass-Through to Subrecipients</b>	<b>Expenditures</b>
<b>FEDERAL AWARDS</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	WTS21	\$ -	\$ 53,964
Temporary Assistance for Needy Families	93.558	WTS22	25,350	135,743
			<u>25,350</u>	<u>189,707</u>
<b>U. S. Department of Labor</b>				
Passed through State of Florida, Department of Economic Opportunity				
Employment Service/Wagner – Peyser Funded Activities	17.207	WPA21	-	2,019
Employment Service/Wagner – Peyser Funded Activities	17.207	WPA22	-	17,149
Jobs for Veterans State Grants	17.801	LVR21	-	3,619
Jobs for Veterans State Grants	17.801	DLC22	-	26,056
Jobs for Veterans State Grants	17.801	DVP21	-	4,418
	<b>Total Employment Service Cluster</b>		<u>-</u>	<u>53,261</u>
Unemployment Insurance	17.225	UCR20	-	7,924
Unemployment Insurance	17.225	UCR21	-	2,797
			<u>-</u>	<u>10,721</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**D/B/A CAREERSOURCE CHIPOLA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

(Continued)

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Award Number	Pass-Through to Subrecipients	Expenditures
<b>FEDERAL AWARDS (Continued)</b>				
<b>U. S. Department of Labor (Continued)</b>				
Passed through State of Florida, Department of Economic Opportunity (Continued)				
WIOA Adult Program	17.258	WIA21	-	306,497
WIOA Adult Program	17.258	WIA22	-	53,896
WIOA Adult Program	17.258	WIS21	-	7,460
WIOA Adult Program	17.258	WIS20	43,575	44,490
WIOA Youth Activities	17.259	WIY21	-	270,332
WIOA Youth Activities	17.259	WIY22	-	53,713
WIOA Youth Activities	17.259	WIS21	-	7,460
WIOA Youth Activities	17.259	WIS20	43,575	44,490
WIOA Dislocated Worker Formulas Grants	17.278	WID21	-	76,400
WIOA Dislocated Worker Formulas Grants	17.278	WIS21	-	9,145
WIOA Dislocated Worker Formulas Grants	17.278	WIS20	49,023	50,051
WIOA Dislocated Worker Formulas Grants	17.278	WIR22	-	22,649
WIOA Dislocated Worker Formulas Grants	17.278	WRS21	4,000	232,658
<b>Total Workforce Innovation and Opportunity Act Cluster</b>			140,173	1,179,241
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	WNIH19	-	861,207
COVID19 WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	WNC20	-	449,658
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	WNS20	-	20,254
			-	1,331,119
<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	FSH21	-	11,652
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FSH22	-	40,189
<b>Total Supplemental Nutrition Assistance Program Cluster</b>			-	51,841
<b>TOTAL FEDERAL AWARDS</b>			\$ 165,523	\$ 2,815,890

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2022**

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal award activity of Chipola Regional Workforce Development Board, Inc. (CareerSource Chipola) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

(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 Chipola has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**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

Type of auditors' report issued on compliance for major Federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   X   yes        no

Identification of major Federal programs:

ALN Number(s)	Program Name
17.258, 17.259, 17.278	WIOA Cluster

Dollar threshold used to distinguish between type A and type B Federal programs: \$750,000

Auditee qualified as low-risk auditee?        yes   X   no

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(Continued)

II. **Financial Statement Findings:** None.

III. **Federal Awards Findings and Questioned Costs:**

**Finding 2022-001: Youth Work Experience Earmarking Requirements**

**Affected Program:** Assistance Listing #17.258, 17.259, 17.278 WIOA Cluster. *Award Numbers:* WIA21, WIA22, WIS20, WIS21, WIY21, WIY22, WID21, WIR22, WRS21. *Compliance Requirements:* Matching, Level of Effort, Earmarking.

**Condition and Criteria:** Chipola Regional Workforce Development Board, Inc. d/b/a CareerSource Chipola (CareerSource Chipola) is required to meet the following earmarking requirement per Section 129 (c)(4), WIOA, 128 Stat. 1510: “Not less than 20 percent of Youth Activity funds allocated to the local area, except for the local area expenditures for administration, must be used to provide paid and unpaid work experiences.”

**Cause:** The amount spent to provide paid and unpaid work experiences was less than 20 percent.

**Effect:** CareerSource Chipola did not meet the earmarking requirements under this provision.

**Recommendation:** We recommend that CareerSource Chipola seek a waiver for this requirement if unable to meet this provision or provide more paid and unpaid work experiences required to meet this provision.

IV. **State of Florida, Department of Economic Opportunity Reporting Requirements:** The Board performed timely reconciliations between the general ledger accounting system and the Subrecipient Enterprise Resource Application maintained by DEO. Based on the DEO reporting requirements, there were no additional findings to be reported in FY2022.





## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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**2021-001: Youth Work Experience Earmarking Requirements** – Corrective action not taken. See repeat comment 2022-001.

**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,  
Chipola Regional Workforce Development Board, Inc. d/b/a CareerSource Chipola:

***Opinion on Each Major Federal Program***

We have audited Chipola Regional Workforce Development Board, Inc. d/b/a CareerSource Chipola ("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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the noncompliance finding identified in the accompany schedule of findings and questioned cost. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control over Compliance

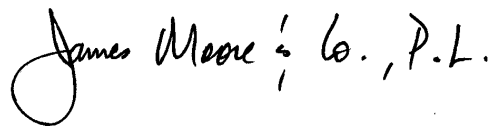
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

*Government Auditing Standards* requires the auditor to perform limited procedures on CareerSource Chipola's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. CareerSource Chipola's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, flowing style.

Tallahassee, Florida  
March 28, 2023



## **Finding 2022-001: Youth Work Experience Earmarking Requirements**

**Affected Program:** Assistance Listing #17.258, 17.259, 17.278 WIOA Cluster. Award Numbers: WIA21, WIA22, WIS20, WIS21, WIY21, WIY22, WID21, WIR22, WRS21. Compliance Requirements: Matching, Level of Effort, Earmarking.

**Condition and Criteria:** Chipola Regional Workforce Development Board, Inc. d/b/a CareerSource Chipola (CareerSource Chipola) is required to meet the following earmarking requirement per Section 129 (c)(4), WIOA, 128 Stat. 1510: "Not less than 20 percent of Youth Activity funds allocated to the local area, except for the local area expenditures for administration, must be used to provide paid and unpaid work experiences."

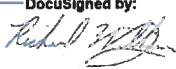
**Cause:** The amount spent to provide paid and unpaid work experience was less than 20 percent.

**Effect:** CareerSource Chipola did not meet the earmarking requirements under this provision.

**LWDB RESPONSE:** CSC has directed more staff time to the required program. CSC will examine a recently granted waiver on youth expenditures to determine how to best utilize the waiver to meet the requirements as it related to required work experience expenditures.

**Responsible Contact Person:** Richard Williams

**Responsible Contact Signature:**

DocuSigned by:  
  
EEDE7802295F421...

**Date:** 3/28/2023

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