

**HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

**HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Heartland Workforce Investment Board, Inc.
dba: CareerSource Heartland

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Heartland Workforce Investment Board, Inc., dba: CareerSource Heartland (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization, as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

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

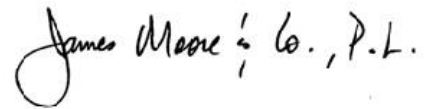
Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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) and is not a required part of the financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit 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 October 20, 2022, on our consideration of the Organization'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 the Organization'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 style with a large initial 'J'.

Daytona Beach, Florida
October 20, 2022

HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

Current assets	
Cash and cash equivalents	\$ 204,428
Grants and accounts receivable	79,650
Prepaid expenses	32,473
Total current assets	316,551
Noncurrent assets	
Fixed assets	
Computer equipment and furniture	26,187
Accumulated depreciation	(26,027)
Net fixed assets	160
Refundable deposits	23,901
Total noncurrent assets	24,061
Total Assets	\$ 340,612

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	\$ 94,679
Accrued expenses	67,081
Deferred revenue	191,773
Total current liabilities	353,533
Net assets (deficit)	
Without donor restrictions	
Undesignated	(12,921)
Total Liabilities and Net Assets	\$ 340,612

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

**HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Support and Revenue

Grants:	
Federal	\$ 3,151,680
Interest	35
Other revenue	<u>3,757</u>
Total support and revenue	<u>3,155,472</u>

Expenses

Program services	2,920,494
Administration	<u>230,828</u>
Total expenses	<u>3,151,322</u>

Change in net assets without donor restrictions	<u>4,150</u>
Net assets (deficit) without donor restrictions, beginning of year	(17,071)
Net assets (deficit) without donor restrictions, end of year	<u><u>\$ (12,921)</u></u>

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

HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Workforce Development</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and wages	\$ 1,231,004	\$ 118,903	\$ 1,349,907
Grants to organizations	445,316	-	445,316
Other employee benefits	324,676	23,681	348,357
Occupancy	275,494	7,334	282,828
Grants to individuals	203,922	-	203,922
Information technology	84,929	7,331	92,260
Payroll taxes	92,685	9,491	102,176
Office expense	52,608	2,918	55,526
Travel	16,628	533	17,161
Other service fees	108,489	22,185	130,674
Staff development and background screenings	7,789	4,827	12,616
Accounting services	-	24,500	24,500
Retirement	28,417	3,583	32,000
Insurance	17,512	3,322	20,834
Transportation and support services	15,829	-	15,829
Dues and subscriptions	4,916	612	5,528
Advertising and promotion	10,280	324	10,604
Depreciation	-	1,284	1,284
Total Expenses	<u>\$ 2,920,494</u>	<u>\$ 230,828</u>	<u>\$ 3,151,322</u>

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

HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

Cash flows from operating activities	
Change in net assets	\$ 4,150
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	1,284
Increase (decrease) in assets:	
Grants and accounts receivable	(63,707)
Prepaid expenses	1,193
(Increase) decrease in liabilities:	
Accounts payable	(124,875)
Accrued expenses	(5,752)
Deferred revenue	68,541
Net cash provided by (used in) operating activities	<u>(119,166)</u>
Net increase (decrease) in cash and cash equivalents	<u>(119,166)</u>
Cash and cash equivalents, beginning of year	323,594
Cash and cash equivalents, end of year	<u><u>\$ 204,428</u></u>

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

HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
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 the Organization, which affect significant elements of the financial statements:

(a) **Reporting entity**—The Organization is a nonprofit organization under the state of Florida Not-for-Profit Corporation Act and is exempt from income taxes according to the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Organization qualifies for the charitable contribution deduction and has been classified as an organization that is not a private foundation.

The Governor of Florida has designated the four county area of DeSoto, Hardee, Highlands, and Okeechobee as a Local Workforce Development Area (LWDA) for the purpose of serving as a jurisdiction for the administration of workforce development activities designed to increase individual's employment and earning potential, such as job-search and placement assistance, career information, training and other job preparation efforts, and the execution of Workforce Innovation and Opportunity Act (WIOA) adult, dislocated worker, and youth funds. This designation resulted in the Boards of County Commissioners (BOCC) of the four counties entering into an inter-local agreement to establish a multi-jurisdictional arrangement for the purpose of obtaining grant recipient and subgrant recipient designation. The agreement is administered through the Heartland Workforce Investment Consortium (Consortium), which designates a County Commissioner representative for each BOCC. The four commissioners comprise the Organization's Executive Board.

The Consortium's inter-local agreement provides for the appointment of the board members of the Local Workforce Development Board as required under laws enacted by federal and state legislators. It also allows for the Consortium's Executive Board to provide oversight of the Organization's board of directors and the organization's programs and operations.

The state of Florida is a recipient of several federal grant programs through the United States Departments of Labor, Agriculture, and Health and Human Services. As authorized by the state of Florida, the Consortium's Executive Board has designated the Organization as the subrecipient for these grant programs within LWDA 19.

The primary objective of these programs is to establish methods to prepare youth and unskilled adults for entry into the labor force, to afford job training to economically disadvantaged individuals and to those facing serious barriers to employment, all done to assist them in reaching self-sufficiency. Workforce development support and skills enhancement training is also provided to employed workers, through a business-focused and demand-driven approach, to enhance the productivity and retention capability of local businesses. Another objective is to provide for programs that allow individuals to move from welfare to work. To assist in the accomplishment of these purposes, the Organization contracts with various organizations which provide educational and training services.

HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

The Organization develops, plans, monitors, and administrates the following grants and programs:

- Local Veterans' Outreach Program
- Supplemental Nutrition Assistance Program
- Temporary Assistance for Needy Families
- Wagner Peyser
- Workforce Innovation and Opportunity Act – Adult, Youth, and Dislocated Worker
- Workforce Innovation Act – National Emergency Grants
- Reemployment Services and Eligibility Assessments

(b) **Basis of accounting**—The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the generally accepted in the United States of America.

(c) **Basis of financial statement presentation and accounting for contributions**—The accompanying financial statements include all funds and activities over which the board of directors of the Organization has oversight and financial responsibility.

The Organization prepares its financial statements in accordance to the Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 958, Not-for-Profit Entities*.

(d) **Net assets**—Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions

Net assets with donor restrictions—Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The organization report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. There are no net assets with donor restrictions as of June 30, 2022.

The organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

A significant portion of its revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. At June 30, 2022, \$191,773 have been received in advance and/or have not been recognized because qualifying expenditures have not yet been incurred under the organization’s federal, state, and local contracts and grants.

(e) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(f) **Fixed assets and depreciation**—Fixed Assets are defined by the Board 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:

Assets	Years
Furniture, Equipment, and Data Processing Equipment	3-5

(g) **Federal income taxes**— Income taxes are not provided for in the financial statements since the Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. Management is not aware of any activities that would jeopardize the Consortium’s tax exempt status. The Organization is not aware of any tax positions it has taken that are subject to a significant degree of uncertainty. Tax years for the past three years remain subject to examination by taxing authorities.

(h) **Accrued paid leave**—It is the Organization’s policy to allow employees upon separation of employment, other than for cause, to be compensated up to 240 hours of accrued leave at their regular hourly rate of pay, conditional upon availability of funding. The Organization’s liability for compensated absences of their employees was \$66,934, which is included in accrued expenses as of June 30, 2022.

(i) **Advertising**—The Organization uses advertising to promote its programs among the audiences it serves. All advertising cost are expensed as incurred. For the year ended June 30, 2022, advertising expense was \$10,604.

HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

(j) **Subsequent events**—Management has performed an analysis of the activities and transactions subsequent to June 30, 2022 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2022. Management has performed their analysis through October 20, 2022, the date the financial statements were available to be issued.

(k) **Recent accounting pronouncements**—The FASB and other entities issued new or modifications to, or interpretations of, existing accounting guidance during 2022. The Organization 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 the Organization’s reported financial position or operations in the near term.

In February 2016, the FASB issued Accounting Standards Update 2016-02: *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the consolidated statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2021, and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

(2) **Liquidity and Availability:**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$ 204,428
Accounts Receivable	79,650
Total	<u>\$ 284,078</u>

The organization has \$284,078 of financial assets available within one year of the statement of financial position date, consisting of cash and cash equivalent and accounts receivable. None of these assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Department of Economic Opportunity allows the Organization to request cash draws approximate to amounts necessary for pending disbursements for two weeks of cash needs.

HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(3) **Concentration of Credit Risk and Significant Funding Source:**

(a) **Cash and cash equivalents**—As of June 30, 2022, the Organization had demand deposits with one financial institution of \$204,428. The Organization 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, the Organization had \$62,499 in excess of FDIC coverage.

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

(c) **Significant funding source**—During the year ended June 30, 2022, the Organization received approximately 99.88%, of its funding from the United States Department of Labor, the United States Department of Health and Human Services, and the United States Department of Agriculture 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 the Organization's program and activities.

(4) **Indirect Costs:**

All direct costs that can be identified as benefiting a specific funding source are allocated directly. Shared costs (indirect costs) that cannot be identified specifically with only one cost objective are allocated based on modified total direct costs for each funding source multiplied by the indirect cost rate approved by the state of Florida Department of Economic Opportunity.

(5) **Employee Benefits:**

The Organization has established a salary deferral plan under Section 401(k) of the IRC. The plan allows eligible employees to defer a portion of their compensation ranging from 1% to 75%. Such deferrals accumulate on a tax-deferred basis until the employee withdraws the funds. The Organization is required to match a portion of the employee's contribution. For the year ended June 30, 2022, the rate of the Organization's match was 100%, not to exceed 5% of each employee's compensation. Total expense recorded for the Organization's match was \$32,000 for the year ended June 30, 2022.

(6) **Related Parties Transactions:**

In accordance with applicable regulations, the Organization's board of directors includes representatives of private and public sector industries. During the fiscal year ended June 30, 2022, the Organization entered into contracts with certain private and public sector industries, with which certain board members associated, for the purpose of providing services to participants. Contracts are negotiated at arm's length. During the year ended June 30, 2022, total payments for providing services to participants were approximately \$679,577 and accounts payable were \$83,369 at June 30, 2022.

HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

(7) **Operating Leases:**

The Board has entered into various operating leases for office space and equipment. Future minimum rental payments on these existing lease commitments are as follows:

<u>Year ending June 30,</u>	
2023	\$ 190,063
2024	168,188
2025	168,188
	<u>\$ 526,438</u>

For the year ended June 30, 2022, rent expense was \$244,254.

(8) **Risks 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 the Organization expects such amounts, if any, to be immaterial.

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,
Heartland Workforce Investment Board, Inc.
dba: CareerSource Heartland

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 the general fund of the Heartland Workforce Investment Board, Inc., (the Organization) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated October 20, 2022.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

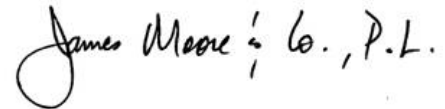
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 initial "J" and a distinct "Co." followed by "P.L.".

Daytona Beach, Florida
October 20, 2022

HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal/State Grantor/Pass-Through Entity Federal/State Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identification Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
FEDERAL AGENCY				
United States Department of Labor:				
Passed through the State of Florida, Department of Economic Opportunity:				
Employment Service Cluster:				
Wagner Peyser-PY2020	17.207	39206	\$ 9,496	\$ -
Wagner Peyser-PY2021	17.207	40442	27,171	-
LVER Program-PY2020	17.801	39566	10,407	-
LVER Program-PY2021	17.801	40852	341	-
LVER Program-PY2021	17.801	41079	4,192	-
Total Employment Service Cluster			<u>51,607</u>	<u>-</u>
Workforce innovation and Opportunity Act Cluster:				
WIOA Adult-PY2020	17.258	39254	614,133	-
WIOA Adult-PY2021	17.258	40179	6,476	-
WIOA Adult-SFY19-20 Performance Incentives	17.258	39315	5,145	-
WIOA Adult-SFY20-21 Performance Incentives	17.258	39339	14,525	-
WIOA Adult -Rapid Response	17.258	40359	1,011	-
WIOA Adult -SFY21-22 WIOA Rural Initiatives	17.258	40375	80,500	-
WIOA Youth-PY2020	17.259	39073	448,205	415,716
WIOA Youth-PY2021	17.259	40068	53,658	29,601
WIOA Youth-SFY19-20 Performance Incentives	17.259	39315	5,145	-
WIOA Youth-SFY20-21 Performance Incentives	17.259	39339	14,074	-
WIOA Youth -Rapid Response	17.259	40359	980	-
WIOA Youth -SFY21-22 WIOA Rural Initiatives	17.259	40375	78,000	-
WIOA Dislocated Worker-PY2020	17.278	39230	375,865	-
WIOA Dislocated-SFY19-20 Performance Incentives	17.278	39315	6,306	-
WIOA Dislocated-SFY20-21 Performance Incentives	17.278	39339	16,510	-
WIOA Dislocated-Rapid Response	17.278	40359	1,072	-
WIOA Dislocated-SFY21-22 WIOA Rural Initiatives	17.278	40375	91,500	-
Total Workforce Innovation and Opportunity Act Cluster			<u>1,813,105</u>	<u>445,317</u>
WIOA National Dislocated Worker Grants - COVID-19	17.277	38898	35,441	-
Reemployment and Eligibility Assessments	17.225	41205	541	-
Total United States Department of Labor			<u>1,900,694</u>	<u>445,317</u>
U.S. Department of Agriculture:				
Passed through the State of Florida, Department of Economic Opportunity:				
Supplemental Nutrition Assistance Program Cluster:				
Supplemental Nutrition Assistance Program-PY2020	10.561	39481	44,485	-
Workforce Development Projects	10.561	41839	149,348	-
Workforce Development Projects	10.561	41839	76,527	-
Total U.S. Department of Agriculture and Supplemental Nutrition Assistance Program			<u>270,360</u>	<u>-</u>
U.S. Department of Health and Human Services:				
Passed through the State of Florida, Department of Economic Opportunity:				
Welfare Transition Program-PY2020	93.558	39410	69,433	-
Welfare Transition Program-PY2021	93.558	40129	279,258	-
Welfare Transition Program-PY2021	93.558	40741	631,935	-
Total U.S. Department of Health and Human Services			<u>980,626</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,151,680</u>	<u>\$ 445,317</u>

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

HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
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 Heartland Workforce Investment Board, Inc. (the Organization) 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:**

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

**HEARTLAND WORKFORCE INVESTMENT BOARD, INC.
DBA: CAREERSOURCE HEARTLAND
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)? _____ yes X no

Identification of major Federal programs:

Assistance Listing Number(s)	Program Name (s)
93.558	Welfare Transition Program (WTP)
Dollar threshold used to distinguish between type A and type B Federal programs:	\$750,000
Auditee qualified as low-risk auditee?	<u> X </u> yes _____ No

II. Financial Statement Findings: None.

III. Federal Awards Findings and Questioned Costs: None.

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

V. Federal Award Summary Schedule of Prior Year Findings: There were no audit findings for the year ended June 30, 2021.

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,
Heartland Workforce Investment Board, Inc.
dba: CareerSource Heartland

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Heartland Workforce Investment Board, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit 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 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 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' Responsibilities for the Audit of Compliance

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 the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

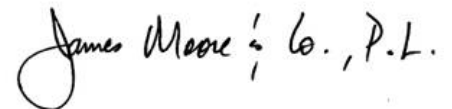
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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

Daytona Beach, Florida
October 20, 2022