

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

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2021**

**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 Financial Statements**

We have audited the accompanying financial statements of Heartland Workforce Investment Board, Inc., dba: CareerSource Heartland (the Organization), which comprise the statements of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

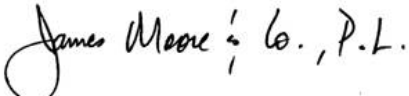
## **Other Matters**

### *Other Information – Schedule of Expenditures of Federal Awards*

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 4, 2021, 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.



Daytona Beach, Florida  
October 4, 2021

**HEARTLAND WORKFORCE INVESTMENT BOARD, INC.  
DBA: CAREERSOURCE HEARTLAND  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2021**

**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 323,594
Grants and accounts receivable	15,943
Prepaid expenses	33,666
Total current assets	373,203

**Noncurrent assets**

Fixed assets	
Computer equipment and furniture	26,187
Accumulated depreciation	(24,743)
Net fixed assets	1,444
Refundable deposits	23,901
Total noncurrent assets	25,345

**Total Assets**

**\$ 398,548**

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Accounts payable	\$ 219,554
Accrued expenses	72,833
Deferred revenue	123,232
Total current liabilities	415,619

**Net assets**

Without donor restrictions:	
Undesignated	(17,071)

**Total Liabilities and Net Assets**

**\$ 398,548**

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, 2021**

**Support and Revenue**

Grants:	
Federal	\$ 3,662,652
Local	11,210
Interest	619
Other revenue	1,725
Total support and revenue	<u>3,676,206</u>

**Expenses**

Program services	3,394,947
Administration	273,672
Total expenses	<u>3,668,619</u>

<b>Change in net assets without donor restrictions</b>	<u>7,587</u>
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Net assets without donor restrictions, beginning of year	(24,658)
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<b>Net assets without donor restrictions, end of year</b>	<u><u>\$ (17,071)</u></u>
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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, 2021**

	<u>Workforce Development</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and wages	\$ 1,289,878	\$ 160,351	\$ 1,450,229
Grants to organizations	673,966	-	673,966
Other employee benefits	340,730	28,110	368,840
Occupancy	295,484	8,361	303,845
Grants to individuals	288,585	-	288,585
Information technology	105,840	6,527	112,367
Payroll taxes	97,239	12,076	109,315
Office expense	74,768	4,919	79,687
Travel	13,145	77	13,222
Other service fees	40,216	18,867	59,083
Staff development and background screenings	11,991	1,870	13,861
Accounting services	-	23,800	23,800
Retirement	30,990	2,848	33,838
Insurance	16,535	2,621	19,156
Transportation and support services	17,097	-	17,097
Dues and subscriptions	1,190	1,385	2,575
Advertising and promotion	97,293	576	97,869
Depreciation	-	1,284	1,284
Total Expenses	<u>\$ 3,394,947</u>	<u>\$ 273,672</u>	<u>\$ 3,668,619</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, 2021**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 7,587
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	45,802
Prepaid expenses	30,418
(Increase) decrease in liabilities:	
Accounts payable	73,112
Accrued expenses	19
Deferred revenue	(191,351)
Net cash provided by (used in) operating activities	(33,129)
<b>Net increase (decrease) in cash and cash equivalents</b>	(33,129)
<b>Cash and cash equivalents, beginning of year</b>	356,723
<b>Cash and cash equivalents, end of year</b>	\$ 323,594

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, 2021**

(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, 2021**

(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

(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, 2021.

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, 2021**

(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, 2021, \$123,232 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 \$72,833, which is included in accrued expenses as of June 30, 2021.

(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, 2021, advertising expense was \$97,869.

**HEARTLAND WORKFORCE INVESTMENT BOARD, INC.**  
**DBA: CAREERSOURCE HEARTLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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

(j) **Subsequent events**—Management has performed an analysis of the activities and transactions subsequent to June 30, 2021 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2021. Management has performed their analysis through October 4, 2021, 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 2021. 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	\$ 323,594
Accounts Receivable	15,943
Total	<u>\$ 339,537</u>

The organization has \$339,537 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, 2021**

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

(a) **Cash and cash equivalents**—As of June 30, 2021, the Organization had demand deposits with one financial institution of \$323,594. 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, 2021, the Organization had \$81,258 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, 2021, the Organization received approximately 99.63%, 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, 2021, 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 \$33,838 for the year ended June 30, 2021.

(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, 2021, 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, 2021, total payments for providing services to participants were approximately \$938,627 and accounts payable were \$124,627 at June 30, 2021.

**HEARTLAND WORKFORCE INVESTMENT BOARD, INC.**  
**DBA: CAREERSOURCE HEARTLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

(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>	
2022	\$ 235,311
2023	190,724
2024	168,849
2025	168,188
	<u>\$ 763,072</u>

For the year ended June 30, 2021, rent expense was \$250,387.

(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.

During the year ended June 30, 2021, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Company as of October 4, 2021, management believes that a material impact on the Company's financial position and results of future operations is reasonably possible.

**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, 2021, 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 4, 2021.

**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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

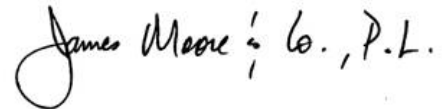


## **Compliance and Other Matters**

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'.

Daytona Beach, Florida  
October 4, 2021

**HEARTLAND WORKFORCE INVESTMENT BOARD, INC.**  
**DBA: CAREERSOURCE HEARTLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Entity/ Federal Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identification Number</u>	<u>Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
<b>United States Department of Labor:</b>				
Passed through the State of Florida, Department of Economic Opportunity:				
Employment Service Cluster:				
Wagner Peyser	17.207	038241	\$ 489	\$ -
Wagner Peyser	17.207	039206	27,052	-
Wagner Peyser Performance Incentives	17.207	038172	85,123	-
LVER Program	17.801	038807	6,857	-
LVER Program	17.801	039566	8,088	-
Total Employment Service Cluster			<u>127,609</u>	<u>-</u>
Workforce innovation and Opportunity Act Cluster:				
WIOA Adult	17.258	038290	595,679	100,354
WIOA Rural Initiatives	17.258	039156	41,250	3,467
Soft Skills	17.258	037936	9,806	9,630
Supplemental WIOA State Level	17.258	038267	19,306	48
Supplemental WIOA State Level	17.258	039179	21,213	4,392
WIOA Performance Incentives	17.258	038846	147,820	2,358
WIOA Performance Incentives	17.258	038151	54,528	-
WIOA Performance Incentives	17.258	038690	7,302	6,153
COVID-19 PPE	17.258	038929	2,255	-
WIOA Youth	17.259	038117	499,876	442,753
WIOA Youth	17.259	039073	218,551	198,940
WIOA Rural Initiatives	17.259	039156	41,250	3,467
Soft Skills	17.259	037936	9,806	9,630
Supplemental WIOA State Level	17.259	038267	19,305	48
Supplemental WIOA State Level	17.259	039179	21,213	4,392
WIOA Performance Incentives	17.259	038846	147,820	2,358
WIOA Performance Incentives	17.259	038151	54,529	-
WIOA Performance Incentives	17.259	038690	7,302	6,153
COVID-19 PPE	17.259	038929	2,255	-
WIOA Dislocated Worker	17.278	038314	365,522	-
WIOA Rural Initiatives	17.278	039156	42,500	27,739
Soft Skills	17.278	037936	10,104	3,572
Supplemental WIOA State Level	17.278	038267	21,718	9,922
Supplemental WIOA State Level	17.278	039179	23,864	54
WIOA Performance Incentives	17.278	038846	152,300	4,941
WIOA Performance Incentives	17.278	038151	56,181	2,430
WIOA Performance Incentives	17.278	038690	7,524	-
WIOA Performance Incentives	17.278	039045	16,596	6,339
COVID-19 PPE	17.278	038929	2,323	5,887
Total Workforce Innovation and Opportunity Act Cluster			<u>2,619,698</u>	<u>855,027</u>
WIOA National Dislocated Worker Grants - COVID-19	17.277	038898	112,908	
<b>Total United States Department of Labor</b>			<u>2,860,215</u>	<u>855,027</u>
<b>U.S. Department of Agriculture:</b>				
Passed through the State of Florida, Department of Economic Opportunity:				
Supplemental Nutrition Assistance Program Cluster:				
Supplemental Nutrition Assistance Program	10.561	038454	38,728	-
Supplemental Nutrition Assistance Program	10.561	039481	100,536	-
<b>Total U.S. Department of Agriculture and Supplemental Nutrition Assistance Program</b>			<u>139,264</u>	<u>-</u>
<b>U.S. Department of Health and Human Services:</b>				
Passed through the State of Florida, Department of Economic Opportunity:				
Welfare Transition Program	93.558	039138	254,733	-
Welfare Transition Program	93.558	039410	408,440	9,200
<b>Total U.S. Department of Health and Human Services</b>			<u>663,173</u>	<u>9,200</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 3,662,652</u>	<u>\$ 864,227</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, 2021**

(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, 2021**

**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  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

***Federal Awards:***

Internal control over major Federal programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Type of auditor's 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  no

Identification of major Federal programs:

CFDA Number(s)	Program Name
17.258, 17.259, 17.278	Workforce Innovation and Opportunity Act (WIOA) Cluster
Dollar threshold used to distinguish between type A and type B Federal programs:	\$750,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> 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 FY2021.

**V. Federal Award Summary Schedule of Prior Year Findings:** There were no audit findings for the year ended June 30, 2020.

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

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

**Report on Compliance for Each Major Federal Program**

We have audited the Heartland Workforce Investment Board, Inc.'s (the Organization) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the years ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

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

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, 2021.

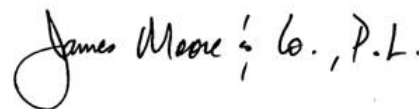
### **Report on Internal Control over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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



Daytona Beach, Florida  
October 4, 2021