

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.  
DBA: CAREERSOURCE BREVARD**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2022 AND 2021**

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
**DBA: CAREERSOURCE BREVARD**  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
Brevard Workforce Development Board, Inc.  
dba: CareerSource Brevard

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

#### ***Opinion***

We have audited the financial statements of Brevard Workforce Development Board, Inc., dba CareerSource Brevard (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flow 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 its 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 Opinion***

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* issues 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 opinion.

#### ***Other Matter***

The financial statements of Brevard Workforce Development Board, Inc. for the year ended June 30, 2021, were audited by another auditor who expressed an unmodified opinion on those statements on February 7, 2022.

#### ***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 opinion. 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 November 28, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Daytona Beach, Florida  
November 28, 2022

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
**DBA: CAREERSOURCE BREVARD**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 642,298	\$ 958,589
Certificates of deposit	76,362	75,541
Grants receivable	790,162	752,189
Prepaid expenses	158,705	191,538
Total current assets	1,667,527	1,977,857
<b>Noncurrent assets</b>		
Fixed assets		
Property and equipment	2,018,167	2,046,659
Accumulated depreciation	(1,946,957)	(1,973,975)
Net fixed assets	71,210	72,684
<b>Total Assets</b>	<b>\$ 1,738,737</b>	<b>\$ 2,050,541</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities</b>		
Accounts payable	\$ 466,331	\$ 905,517
Due to related parties	1,408	175,493
Accrued expenses	119,147	89,728
Refundable advances	783,442	623,874
Accrued compensated absences	5,063	5,063
Total current liabilities	1,375,391	1,799,675
<b>Long-term liabilities</b>		
Accrued compensated absences	107,230	116,262
Total liabilities	1,482,621	1,915,937
<b>Net Assets</b>		
Without donor restrictions	256,116	134,604
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,738,737</b>	<b>\$ 2,050,541</b>

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

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
**DBA: CAREERSOURCE BREVARD**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>Support and Revenue</b>		
Grants:		
Federal	\$ 11,273,007	\$ 14,893,609
Local	122,551	143,205
Interest	916	1,226
Miscellaneous and other revenue	57,289	58,800
Total support and revenue	11,453,763	15,096,840
<b>Expenses</b>		
Program services	10,656,362	14,780,366
Administration	675,889	542,707
Total expenses	11,332,251	15,323,073
<b>Change in net assets without donor restrictions</b>	121,512	(226,233)
<b>Net assets without donor restrictions, beginning of year</b>	134,604	360,837
<b>Net assets without donor restrictions, end of year</b>	<b>\$ 256,116</b>	<b>\$ 134,604</b>

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

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
**DBA: CAREERSOURCE BREVARD**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>2022</b>		
	<b>Program Expenses</b>	<b>Administrative Expenses</b>	<b>Total</b>
Salaries	\$ 1,133,784	\$ 396,178	\$ 1,529,962
Employee benefits	316,313	105,237	421,550
Payroll taxes	92,457	31,263	123,720
Fees for service	302,091	63,753	365,844
Advertising and promotion	64,445	56	64,501
Office expense	172,694	20,186	192,880
Information technology	179,545	3,588	183,133
Occupancy	692,928	23,977	716,905
Travel and per diem	15,665	11,363	27,028
Conferences and meetings	44,840	9,123	53,963
Insurance	87,053	9,561	96,614
Subrecipient contracts	3,683,283	-	3,683,283
Participant services	2,963,570	-	2,963,570
Repairs and maintenance	79,185	1,604	80,789
Vehicle and equipment rentals	804,469	-	804,469
Depreciation	24,040	-	24,040
Total Expenses	<u>\$ 10,656,362</u>	<u>\$ 675,889</u>	<u>\$ 11,332,251</u>

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



**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
**DBA: CAREERSOURCE BREVARD**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>2021</b>		
	<b>Program Expenses</b>	<b>Administrative Expenses</b>	<b>Total</b>
Salaries	\$ 1,135,119	\$ 363,599	\$ 1,498,718
Employee benefits	320,142	56,153	376,295
Payroll taxes	90,500	13,985	104,485
Fees for service	244,719	48,600	293,319
Advertising and promotion	47,293	80	47,373
Office expense	283,091	36,794	319,885
Information technology	246,917	3,182	250,099
Occupancy	697,065	7,457	704,522
Travel and per diem	246	131	377
Conferences and meetings	22,526	2,412	24,938
Insurance	99,719	8,582	108,301
Subrecipient contracts	3,892,232	-	3,892,232
Participant services	5,335,980	-	5,335,980
Repairs and maintenance	105,559	1,732	107,291
Vehicle and equipment rentals	2,152,785	-	2,152,785
Depreciation	106,473	-	106,473
Total Expenses	<u>\$ 14,780,366</u>	<u>\$ 542,707</u>	<u>\$ 15,323,073</u>

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

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
**DBA: CAREERSOURCE BREVARD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 121,512	\$ (226,233)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	24,040	106,473
Increase (decrease) in assets:		
Grants and accounts receivable	(37,973)	(282,798)
Prepaid expenses	32,833	14,681
(Increase) decrease in liabilities:		
Accounts payable	(439,186)	243,394
Due to related parties	(174,085)	(46,234)
Accrued expenses	29,419	2,785
Deferred revenue	159,568	290,432
Accrued compensated absences	(9,032)	3,837
Net cash provided by (used in) operating activities	(292,904)	106,337
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(22,566)	-
Increase in value of certificates of deposit	(821)	(1,075)
Net cash provided by (used in) investing activities	(23,387)	(1,075)
<b>Net increase (decrease) in cash and cash equivalents</b>	(316,291)	105,262
<b>Cash and cash equivalents, beginning of year</b>	958,589	853,327
<b>Cash and cash equivalents, end of year</b>	\$ 642,298	\$ 958,589

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

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
**DBA: CAREERSOURCE BREVARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 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 Organization began delivering workforce development programs on October 1, 1990.

The State of Florida has designated the Organization to serve Brevard County, Florida, 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. The Organization is one of twenty-four Regional Workforce Development Boards in the State of Florida for the purpose of promoting the workforce for local employers and enhancing the productive employment of individuals in Brevard County. The Organization helps to jointly manage programs with the State of Florida Department of Economic Opportunity, which includes programs such as Veterans' programs and the Wagner-Peyser Labor Exchange.

The Organization'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 Organization's Executive Board to provide oversight of the Organization's board of directors and its 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 LWDB13.

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 disadvantage 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.

(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.

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
**DBA: CAREERSOURCE BREVARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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

(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 and 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.

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 and 2021, \$783,442 and \$492,236, respectively, 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.

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
**DBA: CAREERSOURCE BREVARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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

(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) **Certificates of deposit**—The Organization invests funds previously earned through activities unrelated to grant programs in four certificates of deposit with maturity dates at time of purchase greater than three months. These certificates of deposit are carried at amortized cost.

(g) **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 fair value 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 and equipment	3-5
Data processing equipment	3-5
Vehicles	5

(h) **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 Organization’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.

(i) **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 320 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 \$112,293 and \$121,325 as of June 30, 2022 and 2021, respectively.

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
**DBA: CAREERSOURCE BREVARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 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, 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 November 28, 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:

	<b>2022</b>	<b>2021</b>
Cash and Cash Equivalents	\$ 642,298	\$ 958,589
Certificates of Deposit	76,362	56,467
Accounts Receivable	790,162	752,189
Total	\$ 1,508,822	\$ 1,767,245

At June 30, 2022 and 2021, the Organization has \$1,508,822 and \$1,767,245 of financial assets available within one year of the statement of financial position date, consisting of cash and cash equivalents, certificates of deposit, 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.

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

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

(a) **Cash and cash equivalents**—As of June 30, 2022 and 2021, the Organization had demand deposits with one financial institution of \$642,298 and \$958,589, respectively. 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 \$364,193 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 years ended June 30, 2022 and 2021, the Organization received approximately 98.4% and 98.7%, 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 Florida Department of Economic Opportunity.

(5) **Employee Benefits:**

The Organization has established a salary deferral plan under Section 403(b) of the IRC in which employees may make voluntary contributions. Contributions are being made at 15% of eligible compensation up to the federal tax limit according to the Internal Revenue Code. Total expense recorded for the Organization's match was \$184,334 and \$198,314 for the years ended June 30, 2022 and 2021, respectively.

(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 years ended June 30, 2022 and 2021, the Organization entered into contracts with certain private and public sector industries, with which certain board members were associated, for the purpose of providing services to participants. Contracts are negotiated at arm's length. During the years ended June 30, 2022 and 2021, total payments for providing services to participants were approximately \$663,794 and \$2,400,622, respectively, and accounts payable were approximately \$1,408 and \$175,493, respectively.

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
**DBA: CAREERSOURCE BREVARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 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>	
2023	\$ 541,330
2024	384,998
2025	170,468
2026	170,468
2027	99,440
	<u>\$ 1,366,704</u>

For the years ended June 30, 2022 and 2021, rent expense was \$\$598,668 and 589,766, respectively.

(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,  
Brevard Workforce Development Board, Inc.  
dba: CareerSource Brevard

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 Brevard Workforce Development Board, Inc., (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flow for the years then ended, and the related notes to the financial statements and have issued our report thereon dated November 28, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, 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 opinion 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 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. We did identify one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a significant deficiency.

## **Compliance and Other Matters**

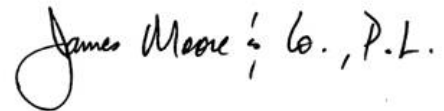
As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

## **Management's Response to Findings**

Management's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the combining financial statements and, accordingly, we express no opinion on it.

## **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  
November 28, 2022



**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.**  
**DBA: CAREERSOURCE BREVARD**  
**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 Brevard Workforce Development 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.

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.  
DBA: CAREERSOURCE BREVARD  
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  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 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  no

Identification of major Federal programs:

<u>Assistance Listing Number(s)</u>	<u>Program Name</u>
17.277	National Emergency Grant
93.558	Temporary Assistance for Needy Families
14.228	Community Development Block Grant
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:**

**2022-001 Journal Entry Review**

*Criteria:* Internal controls over financial reporting should include processes that require journal entries made to the accounting system of sub-ledgers be reviewed and approved by an individual other than the individual responsible for preparing the journal entry.

*Condition and Context:* There was no evidence of review and approval of several journal entries tested.

*Cause:* Internal control policies, procedures, and/or best practices were not followed.

*Effect:* Posting of improper journal entries could be made without proper approval being completed.

*Recommendation:* We recommend the Organization document proper review and approval of all journal entries.

- III. **Federal Awards Findings and Questioned Costs:** None.
- IV. **Prior Audit Findings:** There were no audit findings for the year ended June 30, 2021.
- V. **Corrective Action Plan:** See Management's Response to Findings on page 25.
- VI. **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.



**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,  
Brevard Workforce Development Board, Inc.  
dba: CareerSource Brevard

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

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

We have audited the Brevard Workforce Development 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 years 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 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 contract 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.

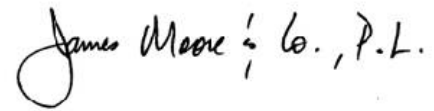
### **Report on Internal Control over Compliance**

*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 style with a large initial 'J'.

Daytona Beach, Florida  
November 28, 2022

## MANAGEMENT'S RESPONSE TO FINDINGS

October 31, 2022

The Schedule of Findings and Questioned Costs provided comments and recommendations for improved financial management accounting procedures. The following is Management's responses. The Auditors' comment numbers and descriptions are included as reference.

### 2022-001 Journal Entry Review

This finding recommends the Organization document proper review and approval for all journal entries posted. The Organization will increase review and approval of journal entries in FY2023.