

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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
DBA: CAREERSOURCE BREVARD
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2024 AND 2023

	Page(s)
Independent Auditors' Report	1 - 3
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 – 15
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 <i>Government Auditing Standards</i>	17 - 18
Schedule of Expenditures of Federal Awards and State Financial Assistance	19 - 20
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	21
Schedule of Findings and Questioned Costs	22 - 23
Independent Auditors' Report on Compliance for Each Major Federal Program and Each Major State Project and on Internal Control over Compliance in Accordance with the Uniform Guidance and Chapter 10.650, Rules of the Auditor General	24 - 26

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 statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 and GAS 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 and GAS, 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.

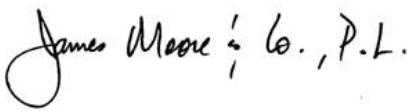
Supplementary Information

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 and State Financial Assistance 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 Section 215.97, Florida Statutes, 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 and State Financial Assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2025, 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style and is contained within a thin black rectangular border.

Daytona Beach, Florida
March 3, 2025

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
DBA: CAREERSOURCE BREVARD
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 1,710,854	\$ 483,942
Certificates of deposit	78,410	77,343
Grants receivable	412,558	860,536
Prepaid expenses	213,502	261,674
Total current assets	2,415,324	1,683,495
Noncurrent assets		
Fixed assets:		
Property and equipment	1,907,095	1,863,170
Accumulated depreciation	(1,840,514)	(1,816,033)
Net fixed assets	66,581	47,137
Operating lease right of use asset, net	1,447,350	876,923
Total Assets	\$ 3,929,255	\$ 2,607,555
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 546,830	\$ 834,544
Due to related parties	54,598	1,408
Accrued expenses	40,836	37,189
Refundable advances	1,466,130	491,646
Accrued compensated absences	5,063	5,063
Current portion of operating lease liability	455,926	361,725
Total current liabilities	2,569,384	1,731,575
Long-term liabilities		
Accrued compensated absences	162,210	112,019
Long-term portion of operating lease liability	994,018	518,893
Total long-term liabilities	1,156,228	630,912
Total Liabilities	3,725,612	2,362,487
Net Assets		
Without donor restrictions	203,643	245,068
Total Liabilities and Net Assets	\$ 3,929,255	\$ 2,607,555

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

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
DBA: CAREERSOURCE BREVARD
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Support and Revenue		
Grants:		
Federal	\$ 12,042,785	\$ 9,583,105
State	827,524	933,898
Local	31,918	102,974
Interest	9,982	4,655
Miscellaneous and other revenue	5,875	50,582
Total support and revenue	12,918,084	10,675,214
Expenses		
Program services	12,034,159	9,842,700
Administration	925,350	843,562
Total expenses	12,959,509	10,686,262
Change in net assets without donor restrictions	(41,425)	(11,048)
Net assets without donor restrictions, beginning of year	245,068	256,116
Net assets without donor restrictions, end of year	\$ 203,643	\$ 245,068

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, 2024

	2024		
	Program	Administrative	
	Expenses	Expenses	Total
Salaries	\$ 1,356,164	\$ 475,608	\$ 1,831,772
Employee benefits	348,764	137,470	486,234
Payroll taxes	80,156	43,538	123,694
Fees for service	165,047	111,039	276,086
Advertising and promotion	43,753	-	43,753
Office expense	99,612	13,082	112,694
Information technology	191,726	14,340	206,066
Occupancy	687,245	97,977	785,222
Travel and per diem	24,021	6,479	30,500
Conferences and meetings	21,635	5,393	27,028
Insurance	168,192	9,689	177,881
Subrecipient contracts	3,736,662	-	3,736,662
Participant services	3,120,027	-	3,120,027
Repairs and maintenance	261,594	10,106	271,700
Vehicle and equipment rentals	1,705,080	629	1,705,709
Depreciation	24,481	-	24,481
Total Expenses	<u>\$ 12,034,159</u>	<u>\$ 925,350</u>	<u>\$ 12,959,509</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, 2023

	2023		
	Program Expenses	Administrative Expenses	Total
Salaries	\$ 1,054,562	\$ 392,114	\$ 1,446,676
Employee benefits	328,874	105,749	434,623
Payroll taxes	80,215	29,684	109,899
Fees for service	323,242	77,260	400,502
Advertising and promotion	58,750	203	58,953
Office expense	116,048	93,417	209,465
Information technology	152,574	10,018	162,592
Occupancy	649,514	95,889	745,403
Travel and per diem	19,308	13,088	32,396
Conferences and meetings	23,909	10,454	34,363
Insurance	58,998	8,324	67,322
Subrecipient contracts	3,611,058	-	3,611,058
Participant services	2,703,741	-	2,703,741
Repairs and maintenance	48,796	7,362	56,158
Vehicle and equipment rentals	583,479	-	583,479
Depreciation	29,632	-	29,632
Total Expenses	<u>\$ 9,842,700</u>	<u>\$ 843,562</u>	<u>\$ 10,686,262</u>

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

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
DBA: CAREERSOURCE BREVARD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ (41,426)	\$ (11,048)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	24,481	29,632
Amortization of ROU asset	440,952	421,745
(Increase) decrease in assets:		
Grants and accounts receivable	447,978	(70,374)
Prepaid expenses	48,172	(102,969)
Increase (decrease) in liabilities:		
Accounts payable	(287,714)	368,213
Due to related parties	53,190	-
Accrued expenses	3,649	(81,958)
Lease liabilities	(406,122)	(418,050)
Deferred revenue	974,484	(291,796)
Accrued compensated absences	50,191	4,789
Net cash provided by (used in) operating activities	1,307,835	(151,816)
Cash flows from investing activities		
Acquisition of leases, property and equipment	(79,856)	(5,559)
Increase in value of certificates of deposit	(1,067)	(981)
Net cash provided by (used in) investing activities	(80,923)	(6,540)
Net increase (decrease) in cash and cash equivalents	1,226,912	(158,356)
Cash and cash equivalents, beginning of year	483,942	642,298
Cash and cash equivalents, end of year	\$ 1,710,854	\$ 483,942

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, 2024 AND 2023

(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 Commerce, 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, 2024 AND 2023

(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, 2024 and 2023.

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, 2024 and 2023, \$1,446,130 and \$491,646, 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, 2024 AND 2023

(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 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 \$167,273 and \$117,082 as of June 30, 2024 and 2023, respectively.

(j) **Subsequent events**—On January 8, 2024, Brevard Workforce Development Board, Inc. became the fiscal agent for CareerSource Flagler Volusia (CSFV). Therefore, the planned consolidation into one Workforce Development Board as of July 1, 2024 was completed. See Note 9 for further information. Management has performed an analysis of the activities and transactions subsequent to June 30, 2024, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2024. Management has performed their analysis through March 3, 2025, the date the financial statements were available to be issued.

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
DBA: CAREERSOURCE BREVARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

(k) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities based on salaries. Accordingly, certain costs have been allocated among the programs.

(l) **Grants receivable**—Grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management’s assessment of the credit history with grantors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

(m) **Prepaid expenses**— Prepaid expenses consist of prepaid insurance, rent and other prepaid expenses. These expenses are recognized as they are incurred.

(n) **Leases**—The Organization leases office space and a parking lot. The Organization determines if an arrangement is a lease at inception. Operating leases are reflected as an operating lease right-of-use (ROU) asset and operating lease liabilities on the Organization’s statement of financial position. ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Organization’s leases do not provide an implicit rate, the Organization uses the risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgment. In allocating consideration in the contract to the separate lease components and the non-lease components, the Organization uses the standalone prices of the lease and non-lease components. Observable standalone prices are used, if available. If the standalone price for a component has a high level of variability or uncertainty, this allocation may require significant judgment.

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
DBA: CAREERSOURCE BREVARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(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:

	2024	2023
Cash and cash equivalents	\$ 1,710,854	\$ 483,942
Certificates of deposit	78,410	77,343
Grants receivable	412,558	860,536
Total	\$ 2,201,822	\$ 1,421,821

At June 30, 2024 and 2023, the Organization has \$2,201,822 and \$1,421,821 of financial assets available within one year of the statement of financial position date, consisting of cash and cash equivalents, certificates of deposit, and grants 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 Florida Department of Commerce allows the Organization to request cash draws approximate to amounts necessary for pending disbursements for two weeks of cash needs.

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

(a) **Cash and cash equivalents**—As of June 30, 2024 and 2022, the Organization had demand deposits with one financial institution of \$1,710,854 and \$483,942, 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, 2024, the Organization had \$1,460,854 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, 2024 and 2023, the Organization received approximately 99.6% and 98.1% 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 Florida Department of Commerce. 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 Commerce.

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
DBA: CAREERSOURCE BREVARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(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 \$204,064 and \$183,061 for the years ended June 30, 2024 and 2023, respectively.

(6) **Related Party 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, 2024 and 2023, 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, 2024 and 2023, total payments for providing services to participants were approximately \$2,321,526 and \$479,893, respectively, and accounts payable were approximately \$54,598 and \$1,408, respectively.

(7) **Leases:**

The Organization has operating leases for commercial office space and a parking lot, which have remaining lease terms expiring in fiscal years 2025 through 2029. The Organization had no finance leases for the year ended June 30, 2024.

The components of lease expense for the years ended June 30, 2024, and June 30, 2023, were as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 468,481	\$ 462,547
Short-term lease expense	\$ 129,967	\$ 157,720

Other information related to leases for the year ended June 30, 2024 is as follows:

Cash paid for amounts included in the measurement of lease liabilities:

	<u>2024</u>	<u>2023</u>
Operating cash flows from operating leases	\$ 446,931	\$ 458,851
ROU assets obtained in exchange for new operating lease liabilities	\$ 894,334	\$ 1,298,668
Weighted-average remaining lease term—operating leases	3.19 years	2.93 years
Weighted-average discount rate—operating leases	3.36%	3.81%

Future minimum lease payments under non-cancellable leases as of June 30, 2024, were as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>
2025	\$ 473,461
2026	483,233
2027	430,541
2028	49,284
2029	49,283
Total undiscounted cash flows	1,485,802
Less: present value discount	(35,858)
Total lease liabilities	<u>\$ 1,449,944</u>

For the years ended June 30, 2024 and 2023, rent expense was \$598,448 and \$620,267, 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.

(9) **Subsequent Events**

As part of the 2023 action plan between Florida Department of Commerce (DOC) and Workforce Development Board of Flagler & Volusia Counties, Inc. DBA CareerSource Flagler Volusia (CSFV), Brevard Workforce Development Board, Inc. has been the fiscal agent for CSFV since January 8, 2024. Also, per the action plan, CSB and CSFV completed their consolidation as of July 1, 2024. The consolidated entity, as of July 1, 2024, is Brevard Workforce Development Board, Inc. DBA CareerSource Brevard Flagler Volusia (CSBFV).

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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Brevard Workforce Development Board, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated March 3, 2025.

Report On 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 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.

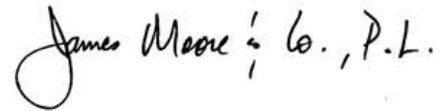
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Report On 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
March 3, 2025

**BREVARD WORKFORCE DEVELOPMENT BOARD,
INC. DBA: CAREERSOURCE BREVARD
SCHEDULE OF FEDERAL AWARDS FOR THE YEAR
ENDED JUNE 30, 2024**

Federal/State Grantor/Pass Through Grantor/Program Title	AL/CSFA Number	Pass- Through Entity Identification Number	Expenditures	Amount Provided to Subrecipients
United States Department of Labor				
Passed through the State of Florida, Department of Commerce: Employment Service Cluster:				
Wagner Peyser - Military Family Employment Advocacy Program	17.207	42895	\$ 139,481	\$ 125,906
Wagner Peyser - PY2023	17.207	42879	251,611	2,124
Wagner Peyser - Apprenticeship Navigator	17.207	42910	62,500	-
Wagner Peyser - PY2022	17.207	41600	43,414	-
Wagner Peyser - Recovery Navigator	17.207	42387	8,247	8,247
Wagner Peyser - Hope Florida	17.207	43031	904	904
LVER Veterans Incentives	17.801	43099	11,866	-
LVER Disabled Veterans Program - PY2023	17.801	43322	92,564	-
LVER Disabled Veterans Program - PY2022	17.801	42342	51,215	-
LVER Local Veterans Program - PY2023	17.801	43268	56,898	-
LVER Local Veterans Program - PY2022	17.801	42211	62,301	-
Total Employment Service Cluster			781,001	137,181
Workforce innovation and Opportunity Act Cluster:				
WIOA Adult - Hope Florida - A Pathway to Promise	17.258	43055	4,660	3,084
WIOA Adult - PY2023	17.258	42798	605,105	483,942
WIOA Adult - Rapid Response	17.258	42827	33,196	-
WIOA Adult - Get There Faster Low Income Returning Adult Learners	17.258	42491	53,083	35,050
WIOA Adult -Space Coast Alliance	17.258	41785	310,080	57,814
WIOA Adult - Board Consolidation	17.258	43179	77,490	-
WIOA Youth - PY2024	17.259	43828	304,892	146,930
WIOA Youth - PY2023	17.259	42511	439,673	211,043
WIOA Youth - Rapid Response	17.259	42827	32,190	-
WIOA Youth - Board Consolidation	17.259	43179	75,142	-
WIOA Youth - Get There Faster Low Income Returning Adult Learners	17.259	42491	51,474	33,988
WIOA Youth -Space Coast Alliance	17.259	41785	300,684	56,062
WIOA Youth-Hope Florida - A Pathway to Promise	17.259	43055	4,518	2,990
WIOA Dislocated Worker - PY2023	17.278	42851	548,111	81,585
WIOA Dislocated Worker - PY2022	17.278	41545	430,397	64,063
WIOA Dislocated Worker - Rapid Response	17.278	42827	35,208	-
WIOA Dislocated Worker-Hope Florida-A Pathway to Promise	17.278	43055	4,942	3,270
WIOA Dislocated Worker - Get There Faster Low Income Returning Adult Learners	17.278	42491	56,300	37,174
WIOA Dislocated Worker -Space Coast Alliance	17.278	41785	328,873	61,317
WIOA Dislocated Worker - Board Consolidation and Realignment	17.278	43179	82,185	-
Total Workforce Innovation and Opportunity Act Cluster			3,778,203	1,278,314

WIOA National Dislocated Worker Grants /National Emergency Grants:				
WIOA National Emergency Grants - PY2022	17.277	42230	5,556,803	591,737
Total WIOA National Dislocated Worker Grants /National Emergency Grants			<u>5,556,803</u>	<u>591,737</u>
Unemployment Insurance:				
Reemployment and Eligibility Assessments - PY2022	17.225	41942	367,313	246,314
Total Unemployment Insurance			<u>367,313</u>	<u>246,314</u>
Total United States Department of Labor			<u>10,483,320</u>	<u>2,253,546</u>
U.S. Department of Agriculture				
Passed through the State of Florida, Department of Commerce: Supplemental Nutrition Assistance Program Cluster:				
Supplemental Nutrition Assistance Program	10.561	41967	100,000	79,522
Supplemental Nutrition Assistance Program	10.561	43161	237,096	184,935
Total Supplemental Nutrition Assistance Program Cluster			<u>337,096</u>	<u>264,457</u>
Total U.S. Department of Agriculture			<u>337,096</u>	<u>264,457</u>
U.S. Department of Health and Human Services				
Passed through the State of Florida, Department of Commerce:				
Welfare Transition Program - PY2023	93.558	43239	866,419	467,866
Welfare Transition Program - PY2022	93.558	41912	187,933	101,484
Welfare Transition Program - PY2023	93.558	42770	168,017	86,021
Total Welfare Transition Program			<u>1,222,369</u>	<u>655,371</u>
Total U.S. Department of Health and Human Services			<u>1,222,369</u>	<u>655,371</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$12,042,785</u>	<u>\$ 3,173,374</u>
STATE AGENCY				
Florida Department of Commerce				
Direct:				
Workforce Development Projects-Non-Custodial Parent Employment	40.037	42193	\$ 157,744	\$ 100,961
Workforce Development Projects-Non-Custodial Parent Employment	40.037	43112	669,780	428,679
Total Florida Department of Commerce			<u>827,524</u>	<u>529,640</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 827,524</u>	<u>\$ 529,640</u>

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
DBA: CAREERSOURCE BREVARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2024

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes the federal award and state financial assistance 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) and Section 215.97, Florida Statutes. 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, 2024**

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:

Assistance Listing Number(s)	Program Name(s)
17.277	National Emergency 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

State Financial Assistance:

Internal control over major State projects:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Type of auditors' report issued on compliance for major State projects: *Unmodified*

Any audit findings disclosed that are required to be reported for state financial assistance projects in yes none reported

accordance with Chapter 10.550?

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Identification of major State projects:

<u>CSFA Number(s)</u>	<u>Project Name(s)</u>
40.037	Workforce Development Projects

- II. **Financial Statement Findings:** None.
- III. **Federal Awards and State Projects Findings and Questioned Costs:** None.
- IV. **Prior Audit Findings:** There were no audit findings for the year ended June 30, 2023.
- V. **State of Florida, Department of Commerce (DOC) Reporting Requirements:** The Organization performed an annual reconciliation between the general ledger accounting system and the Subrecipient Enterprise Resource Application maintained by DOC. We recommend that this reconciliation be completed monthly. Also, based on the DOC reporting requirements, there were no additional findings required to be reported for fiscal year 2024.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Program and Each Major State Project

Opinion on Each Major Federal Program and Major State Project

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* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs and major state projects for the year ended June 30, 2024. The Organization's major federal programs and major state projects 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 and major state projects for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program and Major State Project

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 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); the special audit guidance provided by the State of Florida Department of Commerce; and Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.650, Rules of the Auditor General 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 and major state project. 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 and state projects.

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*, the Uniform Guidance, the special audit guidance provided by the State of Florida Department of Commerce, and Chapter 10.650, Rules of the Auditor General 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 and major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, the special audit guidance provided by the State of Florida Department of Commerce, and Chapter 10.650, Rules of the Auditor General, 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 and Chapter 10650, Rules of the Auditor General, 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.

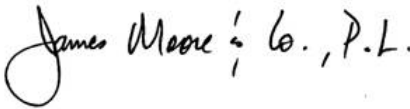
Report on Internal Control over Compliance

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 or state project 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 or state project 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 or state project 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 Chapter 10650, Rules of the Auditor General. 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
March 3, 2025