

**BREVARD WORKFORCE
DEVELOPMENT BOARD, INC.
d/b/a CAREERSOURCE BREVARD
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 and 2020
(with summarized functional expenses
for the fiscal year ended June 30, 2020)**

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Brevard Workforce Development Board, Inc.
Brevard County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Brevard Workforce Development Board, Inc. dba CareerSource Brevard (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the fiscal years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brevard Workforce Development Board, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 17, 2021. In our opinion, the summarized functional expenses comparative information presented herein as of and for the fiscal year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 information 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 February 7, 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 the Organization's 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.



February 7, 2022

FINANCIAL STATEMENTS

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS

	2021	2020
Current assets:		
Cash	\$ 958,589	\$ 853,327
Certificates of deposit	75,541	74,466
Contracts and other receivable	-	63,586
Grant receivable	752,189	405,805
Prepaid expenses and other assets	191,538	206,219
Total current assets	<u>1,977,857</u>	<u>1,603,403</u>
 Property and equipment:		
Property and equipment	2,046,659	2,131,526
Less accumulated depreciation	<u>(1,973,975)</u>	<u>(1,952,369)</u>
Net property and equipment	72,684	179,157
Total assets	<u><u>\$ 2,050,541</u></u>	<u><u>\$ 1,782,560</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 905,517	\$ 662,123
Due to related parties	175,493	221,727
Accrued wages and benefits	89,728	86,943
Refundable grant advances	623,874	314,152
Refundable contract advances	-	19,290
Accrued compensated absences	5,063	5,063
Total current liabilities	<u>1,799,675</u>	<u>1,309,298</u>
 Long-term liabilities:		
Accrued compensated absences	116,262	112,425
Total long-term liabilities	<u>116,262</u>	<u>112,425</u>
 Net assets:		
Net assets without donor restrictions	134,604	360,837
Total net assets	<u>134,604</u>	<u>360,837</u>
 Total liabilities and net assets	<u><u>\$ 2,050,541</u></u>	<u><u>\$ 1,782,560</u></u>

See notes to financial statements

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020

	2021	2020
Unrestricted support and revenues:		
Grant revenue (Federal)	\$ 14,893,609	\$ 13,201,640
Contract revenue	143,205	229,310
Charges for services	40,743	24,842
Miscellaneous and other income	18,057	224,984
Interest income	1,226	1,725
Total revenues	<u>15,096,840</u>	<u>13,682,501</u>
Expenses:		
Program services	14,673,893	13,007,223
Management and general	542,707	552,984
Depreciation and amortization	106,473	115,396
Total expenses	<u>15,323,073</u>	<u>13,675,603</u>
Change in net assets	<u>(226,233)</u>	<u>6,898</u>
Net assets, beginning of year	360,837	353,939
Net assets, end of year	<u><u>\$ 134,604</u></u>	<u><u>\$ 360,837</u></u>

See notes to financial statements

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ (226,233)	\$ 6,898
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	106,473	115,396
(Increase)/Decrease in:		
Contracts and other receivable	63,586	(63,586)
Grants receivable	(346,384)	533,820
Prepaid and other expenses	14,681	(42,661)
Increase/(Decrease) in:		
Accounts payable	243,394	(304,129)
Due to related parties	(46,234)	220,497
Accrued wages and benefits	2,785	13,285
Refundable advances	290,432	(496,951)
Due to grantor	-	-
Accrued compensated absences	3,837	5,171
Net cash provided by operating activities	<u>106,337</u>	<u>(12,260)</u>
Cash flows from investing activities:		
Increase in value of certificates of deposit	(1,075)	(1,569)
Acquisition of fixed assets	-	(42,658)
Net cash (used) by investing activities	<u>(1,075)</u>	<u>(44,227)</u>
Total increase in cash and cash equivalents	<u>105,262</u>	<u>(56,487)</u>
Cash and cash equivalents, beginning of year	853,327	909,814
Cash and cash equivalents, end of year	<u><u>\$ 958,589</u></u>	<u><u>\$ 853,327</u></u>

See notes to financial statements

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(with summarized information
for the fiscal year ended June 30, 2020)

	2021			2020
	Program Expenses	Admin Expenses	Total Expenses	Total Expenses
Salaries	\$ 1,135,119	\$ 363,599	\$ 1,498,718	\$ 1,534,267
Employee Benefits	320,142	56,153	376,295	403,915
Payroll taxes	90,500	13,985	104,485	104,038
Fees for services	244,719	48,600	293,319	437,701
Advertising	47,293	80	47,373	26,899
Office expenses	283,091	36,794	319,885	212,475
Information technology	246,917	3,182	250,099	237,195
Occupancy	697,065	7,457	704,522	702,773
Travel and per diem	246	131	377	33,667
Conferences and meetings	22,526	2,412	24,938	38,139
Depreciation	106,473	-	106,473	115,396
Insurance	99,719	8,582	108,301	53,677
Subrecipient contracts	3,892,232	-	3,892,232	4,118,927
Participant services	5,335,980	-	5,335,980	3,928,682
Repairs and maintenance	105,559	1,732	107,291	115,439
Vehicle and equipment rentals	2,152,785	-	2,152,785	1,612,413
Total expenses	<u>\$ 14,780,366</u>	<u>\$ 542,707</u>	<u>\$ 15,323,073</u>	<u>\$ 13,675,603</u>

See notes to financial statements

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

NOTE 1 - NATURE OF OPERATIONS

The Brevard Workforce Development Board, Inc. (the "Board") (d/b/a CareerSource Brevard) is a nonprofit organization, which began delivering workforce development programs in Brevard County on October 1, 1990. The Board is one of twenty-four Regional Workforce Development Boards in the State of Florida promoting the workforce for local employers and enhancing the productive employment of individuals in Brevard County.

The Board initially administered programs under the Job Training Partnership Act (JTPA) and then, following the repeal of JTPA, under the Workforce Investment Act of 1998 (WIA), beginning on July 1, 1999. The Workforce Innovation and Opportunity Act (WIOA) replaced WIA on July 1, 2015. The Board is the administrative entity, planner and grant recipient for various funding streams including WIOA Adult, Youth and Dislocated Worker programs, Welfare Transition Services, Supplemental Nutrition Assistance Program, and Reemployment Assistance Services. In addition, the Board administers jointly managed programs with the State of Florida Department of Economic Opportunity including Wagner-Peyser Labor Exchange and Veterans' programs. Core, intensive and training services are provided by a contracted service provider, Dynamic Workforce Solutions. The Board also serves as administrative entity and/or fiscal agent for other workforce related programs that complement and further its goals and mission.

The primary objectives of WIOA are to improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the nation. To accomplish these objectives, the Board offers educational training and job placement services to eligible residents of Brevard County. The Board focuses these services by understanding the needs of businesses and providing training and placement services that will fill those needs. The WIOA program provides youth, unskilled adults and dislocated workers with the information, advice, job search assistance and training they need to get and keep good jobs and provide employers with skilled workers. The Wagner-Peyser One-Stop program is designed to improve the functioning of the nation's labor markets by bringing together individuals who are seeking employment and employers who are seeking workers. The Welfare Transition program is designed to assist individuals in the transition from welfare to economic self-sufficiency.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation: The Board uses the accrual basis of accounting, in which revenues are recognized when they are earned and expenses are recognized when they are incurred. Revenues and the related expenses of cost-reimbursement grant programs are recognized as allowable costs are incurred.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 "Not-for-Profit Entities". Under FASB ASC 958, the Board is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Board has no net assets with donor restrictions at June 30, 2021.

Cash and Cash Equivalents: For purposes of reporting cash flows, the Board considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Certificates of Deposit: The Board 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants receivable and revenues: Grants receivable are due from federal, state and local governmental agencies and are stated at net realizable value. The Board uses the allowance method to determine uncollectible receivables. The allowance is based upon management estimates of current economic factors and analysis of specific accounts. In the opinion of management, no allowance for uncollectible accounts was considered necessary at June 30, 2021.

The Board is principally funded by grants and contracts from federal, state, and local governmental agencies for program and supporting services. Grants and contracts generally provide reimbursement for allowable costs incurred. Revenue from cost reimbursement grants and contracts is recognized as eligible costs are incurred. Receivables are recorded to the extent costs have been incurred but not reimbursed by the granting agencies. Conversely, refundable advances are recorded when grant and contract advances exceed eligible costs incurred. Refundable advances will either be offset against subsequent allowable costs incurred or refunded to the granting agencies upon grant termination.

By terms of the Board's grants and contracts, certain funding agencies reserve the right to examine records relating to cost reimbursements. In the event there is a determination of non-qualifying expenditures for which a reimbursement has been made, the funding agency may demand a refund for the appropriate amount. Management does not anticipate adjustments to be made for grants and contracts.

Contributed services: Contributed services are recognized and recorded at fair value only to the extent they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing these skills and would typically need to be purchased if not provided by donations. The Board recorded no contributed services for the years ended June 30, 2021. However, many individuals volunteer time and perform a variety of tasks for the Board. The value of the volunteered time for these functions is not included in the financial statements because it does not meet the recognition criteria.

Property and equipment: Property and equipment in excess of \$5,000 are capitalized at cost when purchased or at fair value at the date of gift, if contributed. Depreciation of property and equipment is provided using the straight-line method of accounting over the estimated useful lives of the assets ranging from three to seven years for office furniture and equipment, five to seven years for vehicles and leasehold improvements over the remaining term of the lease or the useful life of the improvement, whichever is shorter. Routine maintenance and repairs are charged to expense as incurred. Major replacements and improvements are capitalized. When assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gains or losses from dispositions are credited or changed to income.

Substantially all fixed assets recorded by the Board were acquired with federal funds. Accordingly, certain rules and regulations apply to the acquisition, recording, use and disposition of such fixed assets, including authorization for disposal by the specific grantor agency.

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate such value may not be recoverable. Recoverability of assets or asset groups to be held and used is measured by a comparison of the carrying amount of an asset or asset group to future net cash flows expected to be generated by the asset or asset group. If such assets or asset groups are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets or asset groups exceeds the fair value of the assets or asset groups. Assets or asset groups to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. No impairment of its long-lived assets or asset groups has been recognized during the years ended June 30, 2021.

Paid Leave Time: Board employees are entitled to certain paid leave time benefits based on length of employment and other factors. These benefits either vest or accumulate and are accrued when they are earned. The amount of paid leave time accrued at June 30, 2021 was \$121,325, of which \$95,607 was paid after fiscal year end to employees.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses: The costs of providing various program and other activities have been summarized on a functional bases in the statement of activities. Accordingly, certain costs have been allocated among program services and management and general costs. Such allocations are determined by management on an equitable bases.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Direct and indirect
Employee Benefits	Direct and indirect
Fees for services	FTE
Advertising	FTE
Office expenses	FTE
Information technology	FTE
Occupancy	FTE
Travel and per diem	FTE
Depreciation	FTE
Insurance	FTE
Subrecipient contracts	Direct
Participant services	Direct
Repairs and maintenance	FTE
Rentals	Direct

Income Taxes: The Board is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3). Management has evaluated the effect of the guidance provided by U.S. Generally Accepted Accounting Principles on Accounting for Uncertainty in Income Taxes. Management believes that the Board continues to satisfy the requirements of a tax-exempt organization at June 30, 2021. Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined the Board had no uncertain income tax positions. As required by the Internal Revenue Service's regulations, the Board annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. Those returns for 2020, 2019, and 2018 are currently subject to review and adjustment by the Internal Revenue Service.

Use of Estimates in the Preparation of Financial Statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, support and expenses during the period. Actual results could vary from the estimates that were used.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2021 and 2020, reduced by amounts not available for general use within one year of June 30, 2021 and 2020:

	2021		2020
Financial assets at year end:		Financial assets at year end:	
Cash	\$ 958,589	Cash	\$ 853,327
CDs (matured by 6/30/2022)	56,467	CDs (matured by 6/30/2021)	36,574
Contracts and other receivables	-	Contracts and other receivables	63,586
Grant receivable	752,189	Grant receivable	405,805
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,767,245</u>	Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,359,292</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4 – GRANTS RECEIVABLE

At June 30, 2021, grants receivable consists of the following:

<u>Program</u>	<u>Amount</u>
Reemployment Assistance	\$ 97,630
WIOA Adult	637,847
Other	16,712
Grants Receivable	\$ 752,189

At June 30, 2020, grants receivable consists of the following;

<u>Program</u>	<u>Amount</u>
Welfare Transition	\$ 154,598
Wagner Peyser	55,276
Reemployment Assistance	83,233
Supplemental Nutrition	32,477
America's Promise Job Driven Grant	31,094
Florida Makes-Manufacturing Extension Partnership	41,802
Other	7,325
Grants Receivable	\$ 405,805

NOTE 5 – REFUNDABLE ADVANCES

At June 30, 2021, refundable advances consisted of the following:

<u>Program</u>	<u>Amount</u>
WIOA Dislocated Worker	\$ 244,877
Welfare Transition	160,421
Wagner Peyser	143,532
Supplemental Nutrition	62,837
Other	12,207
Refundable Advances	\$ 623,874

At June 30, 2020, refundable advances consisted of the following;

<u>Program</u>	<u>Amount</u>
WIOA Dislocated Worker	\$ 249,760
WIOA Adult	60,942
Other	3,450
Refundable Advances	\$ 314,152

NOTE 6 – PROPERTY AND EQUIPMENT

A schedule of property and equipment at June 30, 2021 follows:

<u>Asset</u>		<u>Useful Lives</u> <u>In Years</u>
Leasehold improvements	\$ 1,216,892	10
Office furniture and equipment	787,866	3 - 10
Vehicles	41,901	5
	<u>2,046,659</u>	
Less: Accumulated Depreciation	<u>(1,973,975)</u>	
	<u>\$ 72,684</u>	

Depreciation expense for the fiscal year ended June 30, 2021 was \$106,473.

NOTE 7 – EMPLOYEE BENEFIT PLAN

The Board has a defined contribution 403(b) savings plan (the Plan), which covers substantially all its employees. Contributions are being made at 15% of eligible compensation up to the federal tax limit according to the Internal Revenue Code. Contributions to this Plan for the years ended June 30, 2021 and 2020, were \$198,314 and \$197,474, respectively. Employees may make voluntary contributions to the 403(b) savings plan.

NOTE 8 – CONCENTRATION RISK

Cash balances: The Board maintains cash balances with a financial institution. At various times throughout the fiscal year, cash balances held at the financial institution were in excess of the federally insured limit. However, the Board has not experienced any losses in such accounts and management believes that the Board is not exposed to any significant credit risk on these accounts.

Support from Governmental Units: The Board receives a substantial amount of its revenues from federal, state and local agencies. A significant reduction in the level of this support, if this were to occur, would have a significant effect on the Board's programs and activities. During the years ended June 30, 2021 and 2020, grant revenue from the State of Florida Department of Economic Opportunity was \$13,648,948 and \$12,649,535, respectively. The Board enters into these grant contracts with these agencies for either one or two year periods and all current contracts are effective through June 2021.

NOTE 9 – SUB-RECIPIENT CONTRACTS

C2 Global Professional Services, LLC is the primary sub-recipient for the Board during the fiscal year ended June 30, 2021. Amounts provided to the sub-recipient during the year ended June 30, 2021, totaled \$3,850,227, which includes a payable of \$151,951 at June 30, 2021. The Board also had sub-recipient payments to a partner region, CareerSource Central Florida totaling \$42,005.

NOTE 10 – RELATED PARTIES

To carry out its training programs, the Board entered into contractual agreements with local educational institutions, public service organizations and local businesses to provide specific services. Several of these service providers have delegates on the Board of Directors. All of the contracts were approved by the Board of Directors in accordance with procedures established by the Florida Department of Economic Opportunity. These procedures require a two-thirds majority vote of the Board of Directors in favor with the related party abstaining from the vote.

Payments under these agreements for the fiscal year ended June 30, 2021 and 2020 as follows:

	<u>2021</u>	<u>2020</u>
Brevard Board of County Commissioners	\$ 117	\$ 622
Brevard Public Schools/Ed Services	857	3,382
Eastern Florida State College	34,301	68,427
Economic Dev Com Space Coast	6,000	8,600
Health First, Inc.	-	150
Health First Health Plans, Inc.	203,403	226,029
Keiser University - Melbourne	8,964	10,581
Knight Enterprises, LLC	1,130	15,110
Migrandy Corporation	-	1,164
Quality Labor Management, LLC	2,071,642	2,325,910
Saalex Information Technology	32,076	12,429
School Board of Brevard County	42,132	32,027
	<u>\$ 2,400,622</u>	<u>\$ 2,704,431</u>

NOTE 10 – RELATED PARTIES (Continued)

Amounts due to related parties at June 30, 2021 and 2020 are as follows:

	2021	2020
Quality Labor Management, LLC	\$ 163,209	\$ 216,872
School Board of Brevard County	-	4,855
Saalex Information Technology	8,498	-
Keiser University - Melbourne	3,786	-
	<u>\$ 175,493</u>	<u>\$ 221,727</u>

NOTE 11 – LEASE COMMITMENTS

The Board leases facilities, storage units and office equipment under operating leases. Storage units and office equipment are leased on a month-to-month basis. Facility lease expense, storage lease expense, and office equipment lease expense for the years ended June 30, 2021 and 2020, totaled \$616,647 and \$613,261, respectively. The facility leases have different expiration dates ranging from December 2022 through February 2024. Minimum future annual lease payments under these agreements for rent are as follows:

Year ending June 30,	Total
2022	\$ 600,959
2023	619,724
2024	386,688
2025	242,862
2026-2027	384,531
Total	<u>\$ 2,234,764</u>

NOTE 12 – RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND THE STATEMENT OF ACTIVITIES TO SUBRECIPIENT ENTERPRISE RESOURCE APPLICATION (SERA)

As required, the Board regularly reconciles its financial records to the SERA maintained by the Florida Department of Economic Opportunity. As of June 30, 2021, there was a variance of \$30,149 due to payables included in the current fiscal year financial statements but not in SERA system since the system was closed prior to the Board receiving the invoices. Amount will be adjusted in SERA in the subsequent fiscal year.

Amounts expended on the Schedule of Expenditures of Federal Awards and revenues and expenses on the statement of activities were determined in accordance with the accrual basis of accounting. The following shows a reconciliation of grant revenue on the Schedule of Expenditures of Federal Awards and the amounts reported in SERA for the fiscal year ended June 30, 2021:

Expenditures/grant revenue	\$ 14,893,609
Funding directly obtained from the Federal government and other entities, not passed through the State SERA system	<u>(1,244,657)</u>
Net expected SERA revenues/expenditures	13,648,952
Variance- audit adjustments after SERA closing	<u>(30,149)</u>
Amount reported in SERA	<u>\$ 13,618,803</u>

NOTE 13 – CONTINGENCIES

In the ordinary course of business, the Board is subject to certain legal actions. In the opinion of management, such matters will not have a material effect on the financial position of the Board.

NOTE 14 – SUBSEQUENT EVENTS

In preparing these financial statements, Brevard Workforce Development Board, Inc. has evaluated events and transactions for potential recognition or disclosure through February 7, 2022, the date the financial statements were available to be issued.

SINGLE AUDIT AND COMPLIANCE SECTION

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Contract or Award Number	FY 2020-21 Expenditures	Expenditures Passed-Through to Subrecipients
U. S. Department of Commerce:				
Passed-through:				
FloridaMakes, Inc.				
Manufacturing Extension Partnership	11.611	70NANB19H109	\$ 73,515	\$ 50,302
Passed-through:				
Board of County Commissioners of Brevard County				
Coronavirus Relief Fund	21.019	n/a	1,009,122	-
U. S. Department of Labor:				
Direct Programs:				
H-1B Job Training Program:				
America's Promise Job Driven Grant	17.268	HG-30125-17-60-A-12	162,020	42,005
Passed-through:				
Florida Department of Economic Opportunity:				
Employment Service Cluster:				
Employment Service/Wagner-Peyser				
Funded Activities:				
Wagner Peyser	17.207	38235	26,080	8
Wagner Peyser	17.207	39200	112,682	35
Wagner Peyser - Military Spouse	17.207	39109	155,263	155,187
Wagner Peyser - Performance Incentives	17.207	38168	88,764	-
Disabled Veterans Outreach Program	17.801	38551	59,706	-
Disabled Veterans Outreach Program	17.801	39541	51,180	-
Local Veterans Outreach Program	17.801	38572	47,766	-
Local Veterans Outreach Program	17.801	39561	61,203	-
Total Employment Service Cluster			602,644	155,230
Unemployment Insurance:				
Reemployment and Eligibility Assessments	17.225	38961	504,137	380,208
Total Unemployment insurance			504,137	380,208
Trade Adjustment Assistance:				
Trade Adjustment Assistance - Administration	17.245	38468	1,164	-
Trade Adjustment Assistance - Administration	17.245	39358	(232)	-
Trade Adjustment Assistance - Training	17.245	38487	7,082	-
Trade Adjustment Assistance - Training	17.245	39495	6,878	-
Total Trade Adjustment Assistance			14,892	-

(Continued)

See notes to schedule of expenditures of federal awards

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Contract or Award Number	FY 2020-21 Expenditures	Expenditures Passed-Through to Subrecipients
U. S. Department of Labor (Continued):				
Passed-through:				
Florida Department of Economic Opportunity (Continued):				
WIOA Cluster:				
WIOA Adult Program:				
WIOA Adult	17.258	38284	540,325	418,098
WIOA Adult	17.258	39248	719,985	575,688
WIOA Adult - Performance Incentives	17.258	38147	172,307	133,329
WIA Adult - Performance Incentives	17.258	38684	39,380	30,472
WIA Adult - Performance Incentives	17.258	39039	19,690	15,236
WIA Adult - Performance Incentives	17.258	39309	29,535	22,854
WIA Adult - Performance Incentives	17.258	39333	40,639	31,446
WIOA Youth Program:				
WIOA Youth	17.259	39067	500,236	183,146
WIOA Youth	17.259	40062	174,821	64,006
WIOA Dislocated Worker Program:				
WIOA Dislocated Worker	17.278	39224	1,073,283	266,637
WIOA Dislocated Worker - Supplemental	17.278	39173	176,051	43,737
WIOA Dislocated Worker - Apprenticeship Expansion	17.278	37914	58,612	-
WIOA Dislocated Worker - Pathways to Prosperity	17.278	38844	20,644	16,086
WIOA Dislocated Worker - Sector Strategies	17.278	37949	51,870	-
			<u>3,617,378</u>	<u>1,800,735</u>
WIOA National Dislocated Worker Grants /				
National Emergency Grants:				
WIOA National Emergency Grants - Hurricane Irma	17.277	34178	4,674,962	108,056
WIOA National Emergency Grants - Opioid	17.277	38094	526,474	207,872
WIOA National Emergency Grants - Hurricane Dorian	17.277	38526	1,375,688	23,483
WIOA National Emergency Grants - COVID-19	17.277	38892	688,208	33,334
Total National Dislocated Worker Grants /			<u>7,265,332</u>	<u>372,745</u>
National Emergency Grants				
Total Department of Labor			<u>12,166,403</u>	<u>2,750,923</u>
U.S. Department of Agriculture				
Passed-through:				
Florida Department of Economic Opportunity:				
Supplemental Nutrition Assistance Program	10.561	38448	32,664	24,635
Supplemental Nutrition Assistance Program	10.561	39475	49,644	37,440
Total Department of Agriculture			<u>82,308</u>	<u>62,075</u>
U.S. Department of Health and Human Services				
Passed-through:				
Florida Department of Economic Opportunity:				
Temporary Assistance for Needy Families	93.558	39132	591,229	378,807
Temporary Assistance for Needy Families	93.558	39404	971,028	622,148
Total Department of HHS			<u>1,562,257</u>	<u>1,000,955</u>
Total Expenditures of Federal Awards			<u>\$ 14,893,605</u>	<u>\$ 3,864,255</u>

See notes to schedule of expenditures of federal awards

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE A – SCOPE OF AUDIT PURSUANT TO UNIFORM GUIDANCE

All Federal grant operations of the Brevard Workforce Development Board, Inc. (the "Organization") are included in the scope of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) audit (the Single Audit). The information in this schedule is presented in accordance with the requirements of Title 2 Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization. The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement in Appendix XI of the Uniform Guidance (the "Compliance Supplement"). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below.

The programs tested as major programs include:

Federal Program	CFDA
National Emergency Grants	17.277
Coronavirus Relief Fund	21.019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes all Federal awards to the Organization that had activity during the fiscal year ended June 30, 2021. The basis of accounting is described in Note 2 to the Board's financial statements. Additionally, it should be noted the Organization did not elect to use the 10 percent *de minimis* indirect cost rate.

NOTE C – FINDINGS OF NONCOMPLIANCE

There were no findings of noncompliance identified in connection with the 2021 Federal Single Audit.



**INDEPENDENT AUDITOR'S 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**

Board of Directors
Brevard Workforce Development Board, Inc.
Brevard County, Florida

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 Brevard Workforce Development Board, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 7, 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) to determine the audit 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 did not disclose any 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 Organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the management, Board of Directors, and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "B. Shaw & Associates".

February 7, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Brevard Workforce Development Board, Inc.
Brevard County, Florida

Report on Compliance for Each Major Federal Program

We have audited Brevard Workforce Development Board, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the fiscal year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Bhav & Associates

February 7, 2022

**BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Brevard Workforce Development Board, Inc.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the independent auditor's 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*.
3. No instances of noncompliance material to the financial statements of Brevard Workforce Development Board, Inc. were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The independent auditor's report on compliance for each major federal awards program of Brevard Workforce Development Board, Inc. expresses an unmodified opinion.
6. There were no audit findings relative to the major federal awards tested for Brevard Workforce Development Board, Inc.
7. Dollar threshold for Type A programs was \$750,000. The programs tested as major programs include:

Federal Program	CFDA
National Emergency Grants	17.277
Coronavirus Relief Fund	21.019

8. Brevard Workforce Development Board, Inc. was determined to be a low-risk auditee pursuant to the Uniform Guidance.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

None

D. OTHER ISSUES

No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal awards programs.

No corrective action plan is required because there were no findings required to be reported under the Federal Single Audit Act.