

Meeting Date
March 3, 2015



AGENDA	
Section	CONSENT AGENDA
Item No.	<i>II C. 2</i>

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	ACKNOWLEDGE RECEIPT OF FY 2013-2014 AUDITED FINANCIAL STATEMENTS FOR THE BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
DEPT/OFFICE:	BUDGET OFFICE

Requested Action:

It is requested that the Board accept the FY 2013-2014 audited Financial Statements for the Brevard Workforce Development Board, Inc. (d/b/a/ Brevard Workforce)

Summary Explanation & Background:

In accordance with Item 2. of the Memorandum of Understanding by and between the Brevard Workforce Development Board, Inc. and the Brevard County Board of County Commissioners (approved by the Board on May 18, 2004) , the Brevard Workforce Development Board, Inc. is providing the Board of County Commissioners a copy of their FY 2013-2014 Audited Financial Statements.

Fiscal Impact: There is no fiscal impact.

Clerk to the Board instruction: Maintain necessary documents for records retention.

Exhibits Attached: FY 2013-2014 Brevard Workforce Development Board, Inc. Audited Financial Statements

Contract /Agreement (If attached): Reviewed by County Attorney Yes No PR

County Manager

Department Director / Extension

Stockton Whitten

Assistant County Manager

Thomas Rosenberg, Budget Director/52854

RECEIVED
FEB 18 2015
County Manager's Office



Tammy Etheridge, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972

March 4, 2015

MEMORANDUM

TO: Thomas Rosenberg, Budget Director

RE: Item II.C.2., Acknowledge Receipt of FY 2013-2014 Audited Financial Statements for Brevard Workforce Development Board, Inc.

The Board of County Commissioners, in regular session on March 3, 2015, accepted the FY 2013-2014 audited Financial Statements for the Brevard Workforce Development Board, Inc. (d/b/a Brevard Workforce).

Your continued cooperation is greatly appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Etheridge

Tammy Etheridge, Deputy Clerk

cc: Finance

January 22, 2015

Stockton Whitten, County Manager
Brevard County Manager's Office
2725 Judge Fran Jamieson Way, Bldg. C
Viera, Florida 32940

Dear Mr. Whitten:

On November 18 our Board of Directors voted to accept the Brevard Workforce Independent Auditor's Report for the fiscal year ended June 30, 2014. The audit was conducted by McGladrey LLP in accordance with generally accepted auditing standards. The auditor's report expresses an unqualified opinion on the financial statements of Brevard Workforce.

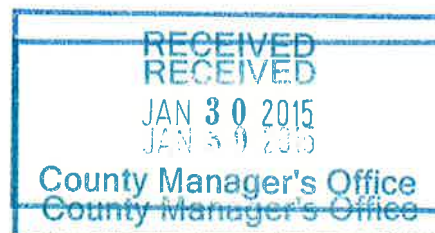
I am attaching a copy of the Independent Auditor's Report for your review. If you have questions or would like additional information, please let me know.

Sincerely,



Lisa A. Rice
President
Brevard Workforce
Development Board, Inc.

LAR/RJM
ENCLOSURE



**Brevard Workforce
Development Board, Inc.
(d/b/a CareerSource Brevard)**

Financial and Compliance Report
June 30, 2014 and 2013

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Independent Auditor's Report

To the Board of Directors
Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)
Brevard County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Brevard Workforce Development Board, Inc. (d/b/a CareerSource Brevard), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the 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 audits. We conducted our audits 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, 2014 and 2013, 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.

Other Matters - 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, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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 December 18, 2014, on our consideration of Brevard Workforce Development Board, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Brevard Workforce Development Board, Inc.'s internal control over financial reporting and compliance.



Orlando, Florida
December 18, 2014

Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)

Statements of Financial Position
June 30, 2014 and 2013

	2014	2013
Assets		
Current Assets		
Cash	\$ 1,040,676	\$ 1,023,074
Certificates of deposit	69,700	69,301
Grants receivable	650,801	1,552,495
Prepaid expenses and other assets	157,752	182,761
Total current assets	1,918,929	2,827,631
Property and equipment, net	739,490	907,835
Total assets	\$ 2,658,419	\$ 3,735,466
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 1,238,585	\$ 1,734,528
Due to related parties	1,550	129,463
Refundable advances	389,550	818,911
Accrued wages and benefits	131,015	36,405
Accrued compensated absences	97,456	91,134
Total current liabilities	1,858,156	2,810,441
Commitments (Note 4)		
Unrestricted net assets	800,263	925,025
Total liabilities and net assets	\$ 2,658,419	\$ 3,735,466

See Notes to Financial Statements.

**Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)**

**Statements of Activities
Years Ended June 30, 2014 and 2013**

	2014	2013
Revenues:		
Grant revenue	\$ 11,678,772	\$ 13,377,910
Contract revenue	597,736	1,095,303
Charges for services	34,220	29,240
Miscellaneous	26,136	30,419
Total revenues	12,336,864	14,532,872
Expenses:		
Program services	11,545,668	13,803,259
Management and general	915,958	823,221
Total expenses	12,461,626	14,626,480
Change in net assets	(124,762)	(93,608)
Unrestricted net assets:		
Beginning	925,025	1,018,633
Ending	\$ 800,263	\$ 925,025

See Notes to Financial Statements.

Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)

Statements of Cash Flows
Years Ended June 30, 2014 and 2013

	2014	2013
Cash Flows From Operating Activities		
Change in net assets	\$ (124,762)	\$ (93,608)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	183,710	215,968
Grant/contract revenue used to purchase property and equipment	(18,370)	(98,602)
Loss on disposal of property and equipment	3,005	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Grants receivable	901,694	(923,066)
Prepaid expenses and other assets	25,009	(18,970)
Increase (decrease) in liabilities:		
Accounts payable	(495,943)	639,560
Due to related parties	(127,913)	111,521
Refundable advances	(429,361)	(497,927)
Accrued wages and benefits	94,610	(38,119)
Accrued compensated absences	6,322	(10,478)
Net cash provided by (used in) operating activities	18,001	(713,721)
Cash Flows From Investing Activities		
Increase in certificates of deposit	(399)	(701)
Purchases of property and equipment	(18,370)	(98,602)
Net cash used in investing activities	(18,769)	(99,303)
Cash Flows From Financing Activities		
Grant/contract revenue used to purchase property and equipment	18,370	98,602
Net cash provided by financing activities	18,370	98,602
Net increase (decrease) in cash	17,602	(714,422)
Cash:		
Beginning	1,023,074	1,737,496
Ending	\$ 1,040,676	\$ 1,023,074

See Notes to Financial Statements.

**Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)**

Notes to Financial Statements

Note 1. Nature of Operations and Significant Accounting Policies

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 Board is the administrative entity, planner and grant recipient for various funding streams including WIA 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 WIA 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 WIA 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.

A summary of the Board's significant accounting policies follows:

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting.

Basis of presentation: A not-for-profit organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Board has no temporarily or permanently restricted net assets.

Revenue and expense recognition: Revenues and expenses are recognized in accordance with the accrual basis of accounting. Accordingly, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Cash and cash equivalents: For purposes of the statements of cash flows, the Board considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. The Board did not have any cash equivalents at June 30, 2014 and 2013.

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.

Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)

Notes to Financial Statements

Note 1. Nature of Operations and 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, 2014 and 2013.

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, 2014 and 2013. 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 3 to 7 years for office furniture and equipment, 5 to 7 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 charged to income.

Functional allocation of expenses: The costs of providing the various programs and activities of the Board have been summarized in the accompanying statements of activities on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)

Notes to Financial Statements

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Income taxes: The Board is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under similar provisions of the Florida Statutes. Accordingly, no provision for federal and state income taxes has been recorded in the accompanying financial statements.

The Board follows accounting standards relating to accounting for uncertainty in income taxes. Management assessed whether there were any uncertain tax positions which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying financial statements. The Board files income tax returns in the U.S. federal jurisdiction. Generally, the Board is no longer subject to U.S. federal income tax examinations by tax authorities for years before June 30, 2011.

Recent accounting pronouncements: The Financial Accounting Standards Board has issued certain new or modifications to, or interpretations of, existing accounting guidance. The Board has considered the new un-adopted guidance and does not believe that any other new or modified guidance will have a material impact on the Board's reported financial position or activities in the near term.

Subsequent events: Management has assessed subsequent events through December 18, 2014, the date the financial statements were available to be issued.

Note 2. Grants Receivable and Refundable Advances

Grants receivable and refundable advances consisted of the following at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
U.S. Department of Labor – WIA National Emergency Grants	\$ 106,555	\$ 221,867
State of Florida Department of Economic Opportunity:		
Temporary Assistance For Needy Families	233,808	-
WIA Youth Activities	211,181	118,718
WIA Dislocated Workers	26,080	303,398
WIA Adult Program	5,746	684,688
Employment Service/Wagner-Peyser Funded Activities	-	93,869
Unemployment Insurance	-	84,955
Supplemental Nutrition Assistance Program	-	45,000
Alachua Bradford Regional Workforce Board – Workforce Innovation Fund	67,431	-
Grants receivable	<u>\$ 650,801</u>	<u>\$ 1,552,495</u>
Space Florida	\$ 243,177	\$ 766,530
State of Florida Department of Economic Opportunity:		
Employment Service/Wagner-Peyser Funded Activities	94,585	-
Trade Adjustment Assistance	21,623	29,659
Supplemental Nutrition Assistance Program	4,947	-
Local Veterans' Employment Representative Program	1,151	-
Disabled Veterans' Outreach Program	-	5,062
Other	24,067	17,660
Refundable advances	<u>\$ 389,550</u>	<u>\$ 818,911</u>

Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)

Notes to Financial Statements

Note 3. Property and Equipment in Leased Facility

Property and equipment consisted of the following at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Leasehold improvements	\$ 1,267,111	\$ 1,267,111
Office furniture and equipment	952,287	968,659
Vehicles	270,585	270,585
	<u>2,489,983</u>	<u>2,506,355</u>
Less accumulated depreciation	<u>(1,750,493)</u>	<u>(1,598,520)</u>
	<u>\$ 739,490</u>	<u>\$ 907,835</u>

Depreciation expense for the years ended June 30, 2014 and 2013, was \$183,710 and \$215,968, respectively.

Note 4. Leases

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, 2014 and 2013, totaled \$579,275 and \$601,358, respectively. The facility leases have different expiration dates ranging from December 2015 through January 2022.

Minimum future annual lease payments under these operating leases are as follows:

Year Ending June 30,	Amount
2015	\$ 574,477
2016	470,111
2017	238,940
2018	245,325
2019	224,918
Thereafter	581,038
	<u>\$ 2,334,809</u>

Note 5. Retirement 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, 2014 and 2013, were \$227,932 and \$143,356, respectively.

Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)

Notes to Financial Statements

Note 6. Concentrations of Credit Risk

Cash balances: The Board maintained operating accounts with one financial institution as of June 30, 2014 and 2013. The financial institution is a fully qualified public depository pursuant to the Florida Security for Public Deposits Act. At various times throughout 2014 and 2013 and at June 30, 2014 and 2013, 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 year ended June 30, 2014, grant revenue from the State of Florida Department of Economic Opportunity and the U.S. Department of Labor was \$7,981,064 and \$3,384,687, respectively. During the year ended June 30, 2013, grant revenue from the State of Florida Department of Economic Opportunity and the U.S. Department of Labor was \$8,798,107 and \$4,579,803, 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 2015.

Note 7. Reconciliation of Schedule of Expenditures of Federal Awards and the Statement of Activities to OSMIS

As required, the Board regularly reconciles its financial records to the One Stop Management Information System (OSMIS) maintained by the State of Florida Department of Economic Opportunity. As of June 30, 2014 and 2013, no discrepancies were noted.

Amounts reported in 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 and the Schedule of Expenditures of Federal Awards to the amounts reported in OSMIS for the years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Expenditures/grant revenue	\$ 11,678,772	\$ 13,377,910
Funding directly obtained from the Federal government or other organizations, not passed through the State OSMIS system	<u>(3,697,708)</u>	<u>(4,579,803)</u>
Amount reported in OSMIS	<u>\$ 7,981,064</u>	<u>\$ 8,798,107</u>

Note 8. Subrecipient Contract

Dynamic Workforce Solutions is the sole subrecipient for the Board during the years ended June 30, 2014 and 2013. Amounts provided to the subrecipient during the year ended June 30, 2014, totaled \$5,080,806, which includes a payable of \$978,324 at June 30, 2014, as well as \$52,393 paid to Dynamic Workforce Solutions pursuant to a vendor contract. Amounts provided to the subrecipient during the year ended June 30, 2013, totaled \$6,290,389, which includes a payable of \$1,301,788 at June 30, 2013, as well as \$479,826 paid to Dynamic Workforce Solutions pursuant to a vendor contract.

Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)

Notes to Financial Statements

Note 9. Related Party Transactions

To provide the training programs, the Board enters into contractual agreements with local educational institutions, public service organizations, and local businesses to provide specific services. Several of these service providers have delegates that serve on the Board of Directors. Payments under these agreements totaled approximately \$654,000 and \$631,000 for the years ended June 30, 2014 and 2013, respectively.

Amounts due to related parties at June 30, 2014 and 2013, are as follows:

	<u>2014</u>	<u>2013</u>
Eastern Florida State College	\$ 1,205	\$ -
Brevard Board of County Commissioners	150	1,396
Brevard Public Schools	120	326
Keiser University	75	-
Craig Technologies	-	103,100
Coastal Steel, Inc.	-	14,874
Professional Aircraft Accessories	-	4,340
Advanced Magnetic Lab	-	3,786
Brevard Community College	-	1,535
Brevard County Health Department	-	106
	<u>\$ 1,550</u>	<u>\$ 129,463</u>

**Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)**

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Award Number	Federal Expenditures
Federal Awards:			
U.S. Department of Agriculture:			
Passed-through:			
State of Florida Department of Economic Opportunity:			
Supplemental Nutrition Assistance Program	10.561	26772	\$ 58,525
Supplemental Nutrition Assistance Program	10.561	27132	215,628
Total U.S. Department of Agriculture			<u>274,153</u>
U.S. Department of Labor:			
Direct Programs:			
Workforce Investment Act (WIA) National Emergency Grants	17.277	EM204521060A12	<u>3,384,687</u>
Passed-through:			
State of Florida Department of Economic Opportunity:			
Employment Service Cluster:			
Employment Service/Wagner-Peyser			
Funded Activities:			
Wagner-Peyser	17.207	25636	29,666
Wagner-Peyser	17.207	26824	450,964
Wagner-Peyser – Branding Implementation	17.207	27288	62,500
Wagner-Peyser – Branding Performance	17.207	27520	41,667
Wagner-Peyser – Disability Navigator	17.207	25528	23,514
Wagner Peyser – Disability Employment	17.207	26216	654
Wagner-Peyser – Military Spouse	17.207	26796	108,081
Disabled Veterans' Outreach Program	17.801	26628	25,662
Disabled Veterans' Outreach Program	17.801	27240	93,012
Local Veterans' Employment Representative Program	17.804	26700	29,800
Local Veterans' Employment Representative Program	17.804	27264	93,025
Program Total (Employment Service Cluster)			<u>958,545</u>
Unemployment Insurance:			
Unemployment Compensation	17.225	26676	112,247
Unemployment Compensation – RA Project Connect	17.225	27048	3,674
Unemployment Compensation – RA Project Connect	17.225	27412	1,316
Reemployment and Eligibility Assessments	17.225	26480	310,637
Emergency Unemployment – RES REA	17.225	26544	62,992
Program Total (Unemployment Insurance)			<u>490,866</u>
Trade Adjustment Assistance	17.245	26604	<u>8,036</u>

(Continued)

**Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)**

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Award Number	Federal Expenditures
Federal Awards (Continued):			
U.S. Department of Labor (Continued):			
Passed-through (Continued):			
State of Florida Department of Economic Opportunity (Continued):			
WIA Cluster:			
WIA Adult Program:			
WIA Adult Program	17.258	25660	154,164
WIA Adult Program	17.258	26848	1,751,555
WIA Youth Activities:			
WIA Youth Activities	17.259	25184	456,444
WIA Youth Activities	17.259	26520	711,181
WIA Dislocated Worker Formula Grants:			
WIA Dislocated Worker Formula Grants	17.278	25684	397,696
WIA Dislocated Worker Formula Grants	17.278	26884	1,087,206
WIA Dislocated Worker Formula Grants – Incentives	17.278	27436	14,602
Program Total (WIA Cluster)			<u>4,572,848</u>
Space Florida:			
H-1B Job Training Grants Program	17.268	JA224501160A12	<u>228,469</u>
Alachua Bradford Regional Workforce Board:			
Workforce Innovation Fund	17.283	IF232441260A12	<u>84,552</u>
Total U.S. Department of Labor			<u>9,728,003</u>
U.S. Department of Health and Human Services:			
Passed-through:			
State of Florida Department of Economic Opportunity:			
Temporary Assistance for Needy Families	93.558	26724	270,709
Temporary Assistance for Needy Families	93.558	27192	1,405,907
Total U.S. Department of Health and Human Services			<u>1,676,616</u>
Total Federal Awards			<u>\$ 11,678,772</u>

See Notes to the Schedule of Expenditures of Federal Awards.

Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Brevard Workforce Development Board, Inc. (the Board) under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Board.

Also, the grants reflect transactions for the June 30, 2014 fiscal year irrespective of the year of grant award and, accordingly, the schedule of expenditures of federal awards do not include a full year's activity for grants awarded or terminated on dates not coinciding with the aforementioned fiscal year.

Note 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 accounting principles and procedures contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers (contract or award number) are presented where available.

Expenditures include indirect costs, related primarily to general administrative services, which are allocated to direct cost objectives (including federal awards) based on negotiated formulas commonly referred to as administrative cost rates. Administrative cost rates allocated to such awards for the year ended June 30, 2014 were based on a cost allocation plan approved by the State of Florida Department of Economic Opportunity.

Note 3. Subrecipient

Of the federal expenditures presented in the Schedule, the Brevard Workforce Development Board, Inc. provided federal awards to its subrecipient as follows:

Program Title	Federal CFDA #	Amount Provided to Subrecipient
Supplemental Nutrition Assistance Program	10.561	\$ 183,330
Workforce Investment Act (WIA) National Emergency Grants	17.277	1,437,135
Employment Service/Wagner-Peyser Funded Activities	17.207	100,536
Unemployment Insurance	17.225	402,144
WIA Adult Program	17.258	632,785
WIA Youth Activities	17.259	603,216
WIA Dislocated Worker Formula Grants	17.278	603,216
H-1B Job Training Grants Program	17.268	15,294
Workforce Innovation Fund	17.283	27,656
Temporary Assistance for Needy Families	93.558	1,023,101
		<u>\$ 5,028,413</u>



**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***

To the Board of Directors
Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)
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. (d/b/a CareerSource Brevard), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Brevard Workforce Development Board, Inc.'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 Brevard Workforce Development Board, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Brevard Workforce Development Board, Inc.'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.

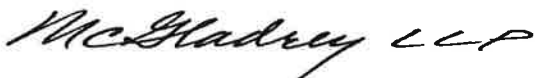
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Brevard Workforce Development Board, Inc.'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 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 Brevard Workforce Development Board, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Orlando, Florida
December 18, 2014



Independent Auditor's Report on Compliance for Each Major Federal Program; and Report on Internal Control Over Compliance

To the Board of Directors
Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Workforce)
Brevard County, Florida

Report on Compliance for Each Major Federal Program

We have audited Brevard Workforce Development Board, Inc.'s (d/b/a CareerSource Brevard) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Brevard Workforce Development Board, Inc.'s major federal programs for the year ended June 30, 2014. Brevard Workforce Development Board, Inc.'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Brevard Workforce Development Board, Inc.'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Brevard Workforce Development Board, Inc.'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 Brevard Workforce Development Board, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Brevard Workforce Development Board, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Brevard Workforce Development Board, Inc. 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 Brevard Workforce Development Board, Inc.'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 OMB Circular A-133, 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 Brevard Workforce Development Board, Inc.'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Orlando, Florida
December 18, 2014

**Brevard Workforce Development Board, Inc.
(d/b/a CareerSource Brevard)**

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	_____ Yes	_____ X No
Significant deficiency(ies) identified?	_____ Yes	_____ X None Reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	_____ Yes	_____ X No
Significant deficiency(ies) identified?	_____ Yes	_____ X None Reported

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____ Yes	_____ X No
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
17.277	Workforce Investment Act (WIA) National Emergency Grants
93.558	Temporary Assistance for Needy Families

Dollar threshold used to distinguish between type A and type B programs:	\$	350,363
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Auditee qualified as low-risk auditee?	_____ X Yes	_____ No
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II - Financial Statement Findings

No matters were reported.

III - Findings and Questioned Costs for Federal Awards

No matters were reported.

IV. Other Reporting

1. No Summary Schedule of Prior Audit Findings is presented because there were no prior audit findings.
2. No Corrective Action Plan is presented because there were no findings required to be reported.