

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
(d/b/a Brevard Workforce)
FINANCIAL STATEMENTS
JUNE 30, 2011

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
(d/b/a Brevard Workforce)
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INDEPENDENT AUDITOR'S REPORT

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


We have audited the accompanying statement of financial position of Brevard Workforce Development Board, Inc. (a nonprofit organization) (d/b/a Brevard Workforce) as of June 30, 2011, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Brevard Workforce's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information, included for illustration purposes only, has been derived from Brevard Workforce Development Board's 2010 financial statements and, in our report dated November 9, 2010; we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Brevard Workforce Development Board, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic 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 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


March 28, 2012

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
(d/b/a Brevard Workforce)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2011
(With Comparative totals for 2010)

	2011	2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 108,561	\$ 633,782
Certificates of deposit - undesignated	67,699	66,600
Grant receivable	935,555	2,348,893
Contracts receivable	-	26,652
Prepaid expenses and other assets	192,510	98,901
Total current assets	1,304,325	3,174,828
Property and equipment		
Office furniture and equipment	2,256,557	1,577,666
Automobile	252,210	252,210
Total Property and equipment	2,508,767	1,829,876
Less accumulated depreciation	(1,399,189)	(1,373,834)
Net property and equipment	1,109,578	456,042
Long-term assets		
Notes receivable (net of unearned interest)	24,694	34,694
Total assets	\$ 2,438,597	\$ 3,665,564
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 866,014	\$ 2,354,544
Due to related parties	21,606	21,931
Refundable advances	221,997	683,104
Accrued wages and benefits	156,007	79,739
Accrued compensated absences	100,809	78,151
Total current liabilities	1,366,433	3,217,469
Net assets:		
Unrestricted	1,072,164	448,095
Total net assets	1,072,164	448,095
Total liabilities and net assets	\$ 2,438,597	\$ 3,665,564

See accompanying notes to financial statements.

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
(d/b/a Brevard Workforce)
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2011
(With Comparative totals for 2010)

	2011	2010
	Unrestricted	Unrestricted
Revenues:		
Grant revenue	\$ 15,069,640	\$ 14,045,447
Contract revenue	221,393	2,500
Charges for services	26,610	49,992
Donations	99	125,367
Miscellaneous	27,635	21,833
In-Kind contribution	875,008	642,014
Total revenues	16,220,385	14,887,153
Expenses:		
Program	13,811,228	13,761,284
Administrative	867,831	646,671
In-Kind expense	875,008	642,014
Loss on disposal of capital assets	42,249	-
Total expenses	15,596,316	15,049,969
Change in net assets	624,069	(162,816)
Net assets, beginning of year	448,095	610,911
Net assets, end of year	\$ 1,072,164	\$ 448,095

See accompanying notes to financial statements

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
(d/b/a Brevard Workforce)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative totals for 2010)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 624,069	\$ (162,816)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	138,981	140,836
Loss on disposal of fixed assets	42,249	-
(Increase) in certificates of deposit	(1,099)	(2,068)
Decrease/(Increase) in grant receivables	1,413,338	(1,586,808)
(Increase)/Decrease in prepaid expense	(93,609)	4,061
Decrease/(Increase) in contracts receivables	26,652	(26,652)
Decrease in notes receivable	10,000	10,000
(Decrease)/Increase in accounts payable	(1,488,530)	1,690,740
(Decrease) in due to related parties	(325)	(39,371)
Increase in accrued wages and benefits	76,268	4,249
(Decrease)/Increase in refundable advances	(461,107)	499,424
Increase in accrued compensated absences	22,658	7,115
Net cash provided by operating activities	<u>309,545</u>	<u>538,710</u>
Cash flows from investing activities:		
Acquisition of fixed assets	(834,766)	(83,899)
Net cash (used) by investing activities	<u>(834,766)</u>	<u>(83,899)</u>
Total (decrease) increase in cash and cash equivalents	<u>(525,221)</u>	<u>454,811</u>
Cash and cash equivalents, Beginning of year	633,782	178,971
Cash and cash equivalents, End of year	<u><u>\$ 108,561</u></u>	<u><u>\$ 633,782</u></u>

See accompanying notes to financial statements

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
(d/b/a Brevard Workforce)
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF OPERATIONS

The Brevard Workforce Development Board, Inc. (the Board) (d/b/a Brevard Workforce) 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 Board's in the State of Florida providing for the development, planning, monitoring and administration for workforce initiatives.

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. These WIA awards are allocated by the State of Florida Agency for Workforce Innovation, under Title I. In the spring of 1998, the Board was also designated as the fiscal and administrative agent for the Welfare-to-Work program in Brevard County, under the Florida Work and Gain Economic Self-Sufficiency Act of 1996 (WAGES). This legislation was subsequently repealed and replaced by the Welfare Transition Services (WTS) program under Florida's Workforce Innovation Act of 2000.

The primary objectives of the 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. In response to the Workforce Development Act of 1996, the Board was selected by the Brevard County Commission to continue the administration of programs and to contract the delivery of services to independent service providers, effectively separating policy and administration from the actual performance of services. Pursuant to the new agreement, the Board administers and monitors training received by participants through various service providers.

The primary objective of the WTS program is to move welfare recipients from public assistance to self-sufficiency through a "work first" approach. The Board contracts with independent service providers to deliver case management, transitional education and community work experience services to welfare transition customers.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Board have been prepared on the accrual basis of accounting. The significant accounting policies are described on the following pages to enhance the usefulness of the financial statements to the reader.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Display of Net Assets by Class

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board as set forth in Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Accordingly, the net assets of the Board are reported in each of the following three classes: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The nature of the restrictions result from donor-imposed restrictions, otherwise, the assets are unrestricted. The Board has elected to report donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support. In addition, the Board is required to present a statement of cash flows.

Contributions

In accordance with SFAS No. 116, the Board records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. In the absence of donor-imposed time restrictions on the use of the asset, gifts of long-lived assets are reported as unrestricted support. Deferred revenue is recognized only when resources are received in exchange transactions with service beneficiaries for which the activities have not occurred. Advances from third parties, such as government agencies, are based on the estimated cost of providing services and are reported as refundable advances in the statement of financial position.

Property and Equipment

All property and equipment is purchased with Federal and Dynamic Works Institute (DWI) funds. The Board holds legal title to such assets and uses them in its operations. The Board is required to comply with the property management requirements established by the federal government.

Individual items of property and equipment in excess of \$5,000 are capitalized at cost, if purchased, or fair value if donated. Depreciation is provided using the straight-line method over estimated useful lives ranging from 3 to 7 years for office furniture and equipment, 5 to 7 years for vehicles, and up to 20 years for leasehold improvements. Depreciation expense for the year ended June 30, 2011, totaled \$138,981.

Cost Allocation

Management and administrative costs are allocated to programs based upon the ratio of actual cumulative direct expenses for a program to total cumulative direct expenses for all programs. Total administrative cost on the statement of activities, is shown according to WIA rules.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Board considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Taxes

The Board is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a charitable organization.

NOTE 3 - CERTIFICATES OF DEPOSIT

The Board invests funds previously earned through activities unrelated to grant programs in four certificates of deposit (CDs) with staggered maturity dates through May 2013. The certificates are carried at cost plus accrued interest through June 30, 2011. The interest these CDs are currently earning ranges from 1.39% to 2.03%.

NOTE 4 - RECEIVABLES AND REFUNDABLE ADVANCES

Grants receivable and refundable advances for the Board consisted of the following at June 30, 2011:

WIA Adult	\$ 520,725
WIA Project Grants	65,028
WIA National Emergency Grant	329,612
Unemployment Insurance	15,472
Trade Adjustment Assistance	4,718
Grants Receivable	<u><u>\$ 935,555</u></u>
WIA Adult	\$ -
WIA Adult - ARRA	2,816
WIA Dislocated Worker	108,412
WIA Dislocated Worker - NEG RIG	7,864
Wagner Peyser	32,840
Economic Adjustment Program	26,725
State Revenue Fund	43,340
Refundable Advances	<u><u>\$ 221,997</u></u>

Grants receivable are for reimbursement of allowable costs incurred, while refundable advances represent monies collected by the Board for expenses not yet incurred.

NOTE 5 - LONG TERM NOTES RECEIVABLE

The Board holds a note related to the financing of the sale of certain operations that took place on June 30, 2005. The terms of the note stipulates that the purchaser make payments of 20% of the annual net profits related to the operations purchased, or a minimum of \$10,000 per year. The original amount of the note was \$100,000. The note is discounted to an estimated present value of \$24,694 at June 30, 2011, using an annual interest rate of 7% over a 10 year period.

NOTE 6 - LEASES

The Board leases facilities, storage units, and office equipment under operating leases. All facility leases are either on a month-to-month basis or provide for termination of the lease, should funding be subsequently reduced (see Note 8). Storage units and office equipment are leased on a month-to-month basis. Facility lease expense, storage lease expense, and vehicle/equipment lease expense for the year ended June 30, 2011, totaled \$678,025. The facility leases have different expiration dates starting for the year ended 2011. In February 2011, the Titusville One Stop Center was moved from the Brevard Community College to another location in Titusville. As part of the new lease agreement, the Board would not pay any base rent for the first year of the lease. In June 2011, the Cocoa Career Center and the Rockledge Administrative Services were moved to the Rockledge Career Center under one lease. Certain facility improvements were made to the building and those improvements have been added as capital assets in the current year.

NOTE 6 - LEASES (Continued)

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

<u>June 30,</u>	<u>Amount</u>
2012	\$ 611,960
2013	535,072
2014	308,056
2015	314,932
2016	40,000

NOTE 7 - DEFINED CONTRIBUTION PLAN

On July 1, 2009, the Board established a 403(b) savings plan, which covers substantially all its employees. Contributions are being made at 15% of eligible compensation. Pension expense for the year ended June 30, 2011, was \$159,956.

NOTE 8 - CONCENTRATION OF CREDIT RISKCash Balances

The Board maintained operating accounts with SunTrust as of June 30, 2011. SunTrust is a fully qualified public depository pursuant to the Florida Security for Public Deposits Act. During the year, cash balances may exceed the federally insured limit.

Grants and Contracts Receivable

As disclosed in Note 4, the Board is due \$935,555 in grants as of June 30, 2011. All grant receivables are due from the State of Florida Agency for Workforce Innovation (AWI) and the federal government.

NOTE 9 - CONTINGENCIES AND COMMITMENTS

The Board's existence depends on the continued funding of workforce development programs by the federal government and avoidance of material disallowed costs. Without this continued funding, the ability of the Board to continue, as a going concern, may be in question.

NOTE 10 - RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE 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 AWI. As of June 30, 2011, no discrepancies were noted.

Amounts expended on Schedule of Expenditures of Federal Awards and State Financial Assistance 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 State Financial Assistance and the amounts reported in OSMIS for the fiscal year ended June 30, 2011:

Expenditures/grant revenue	\$ 15,069,640
EDA, AWT and RIG funding directly obtained from the Federal government and universities, not passed through the State OSMIS system	<u>(2,527,486)</u>
Amount reported in OSMIS	<u>\$ 12,542,154</u>

NOTE 11 - RELATED PARTY TRANSACTIONS

To provide the training programs, the Board enters into contractual agreements with local educational institution, public service organization 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 \$490,184 for the year ended June 30, 2011.

Amounts due to related parties at June 30, 2011, are as follows:

Brevard Community College	\$	9,002
Brevard County Health Department		1,015
Brevard Public Schools		546
Keiser University		7,878
Parrish Medical Center		1,270
University of Central Florida		1,895
Total	\$	<u>21,606</u>

NOTE 12 - SUB-RECIPIENT CONTRACTS

The Kaiser Group is the sole sub-recipient for the Board for the fiscal year ended June 30, 2011. Charges for the current fiscal year totaled \$3,979,184, which includes a payable of \$479,161 at year end.

NOTE 13 – IN-KIND REVENUE AND EXPENSE

During the current fiscal year, the Welfare Transition ARRA Subsidized Employment grant allowed for the 20% employer match to include amounts already expended by employers for training and other related expenses. The amount was calculated as 25% of the total salaries paid through the program for each employer and was \$710,208 for the current year. In addition, to complete the 20%, employers had an additional \$164,801 reported as an in-kind contribution and expense on the financial statements.

NOTE 14 – EVALUATION OF SUBSEQUENT EVENTS

The Board has evaluated subsequent events through March 28, 2012, the date which the financial statements were available to be used.

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
(d/b/a Brevard Workforce)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Federal Grantor/Pass Through Grantor/Program</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Commerce</u>		
<u>Economic Development Administration</u>		
Economic Adjustment Program	11.307	\$ <u>206,357</u>
<u>U.S. Department of Labor</u>		
<u>Employment and Training Administration</u>		
Workforce Investment Act (WIA) - Project Grant		
WIA Project Grant - Jobs Training and Resource Initiative	17.261	206,837
WIA Project Grant - Aerospace Workforce Transition	17.261	<u>221,824</u>
		<u>428,661</u>
<u>U.S. Department of Labor</u>		
<u>Employment and Training Administration</u>		
Passed through the State of Florida		
Agency for Workforce Innovation		
Workforce Investment Act (WIA) - Adult Program		
WIA Adult	17.258	2,528,499
WIA Adult - ARRA	17.258	146,390
WIA Adult - ARRA UI Reemployment	17.258	14,934
WIA Adult - ARRA Digital Access Initiative	17.258	<u>250,000</u>
		<u>2,939,823</u>
Workforce Investment Act (WIA) - Youth Program		
WIA Youth	17.259	<u>725,195</u>
		<u>725,195</u>
Workforce Investment Act (WIA) - Dislocated Worker Program		
WIA Dislocated Worker	17.260	2,092,361
WIA Dislocated Worker - Aerospace Workforce Transition	17.260	<u>22,102</u>
		2,114,463
WIA Dislocated Worker - ARRA	17.260	<u>110,769</u>
Workforce Investment Act (WIA) - Project Grant		
WIA National Emergency Grant	17.277	<u>1,892,468</u>
Trade Adjustment Assistance		
Trade Adjustment Assistance	17.245	<u>105,277</u>
Employment Service		
Wagner Peyser	17.207	831,608
Wagner Peyser - ARRA Military Spouse	17.207	<u>26,492</u>
		<u>858,100</u>
Unemployment Insurance		
Unemployment Compensation	17.225	<u>238,868</u>

(Continued)

See notes to schedule

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
(d/b/a Brevard Workforce)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011
(Continued)

<u>Federal Grantor/Pass Through Grantor/Program</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Labor</u>		
<u>Veterans Employment and Training</u>		
Passed through the State of Florida Agency for Workforce Innovation Disabled Veterans Outreach Program	17.801	<u>122,841</u>
Local Veterans Employment Representative Program	17.804	<u>92,370</u>
<u>U.S. Department of Agriculture</u>		
<u>Food and Nutrition Service</u>		
Passed through the State of Florida Agency for Workforce Innovation State Administrative Matching Grants for Food Stamp Program Food Stamp Employment and Training	10.551	<u>212,794</u>
<u>U.S. Department of Health and Human Services</u>		
<u>Administration for Children and Families</u>		
Passed through the State of Florida Agency for Workforce Innovation Temporary Assistance to Needy Families Welfare Transition Program Welfare Transition Program - ARRA Subsidized Employment	93.558 93.714	<u>1,927,002</u> <u>3,480,415</u> <u>5,407,417</u>
Total Federal Awards		<u>\$ 15,455,403</u>

See notes to schedule

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
(d/b/a Brevard Workforce)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE A - SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133 AND CHAPTER 10.650

Federal Awards Programs

All Federal grant operations of The Brevard Workforce Development Board Inc. (the Board) are included in the scope of the Office of Management and Budget (OMB) Circular A-133 audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB *Circular A-133 Compliance Supplement* (Revised June 2011, the "Compliance Supplement"). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. These programs represent all Federal award programs and other grants with fiscal 2011 cash and noncash expenditures in excess of \$500,000 that ensure coverage of at least 25 percent of Federally granted funds. Actual coverage is approximately 50 percent of total cash and noncash Federal award program expenditures.

The programs tested as major programs include:

<u>Federal Program</u>	<u>CFDA No.</u>
Welfare Transition	93.558
Welfare Transition - ARRA	93.714
WIA National Emergency Grant	17.277
WIA Project Grants (AWTI & JTRI)	17.261

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards include all Federal grants to the Board that had activity during the fiscal year ended June 30, 2011. The basis of accounting is described in Note 2 to the Board's financial statements.

NOTE C - FINDINGS OF NONCOMPLIANCE

There were no findings of noncompliance identified in connection with the 2011 Federal Single Audit.



**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.
(d/b/a Brevard Workforce)
Brevard County, Florida

We have audited the financial statements of Brevard Workforce Development Board, Inc. (The "Board") (d/b/a Brevard Workforce) as of and for the year ended June 30, 2011, and have issued our report thereon dated March 28, 2012. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures 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 Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of 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*.

This report is intended solely for the information and use of management, the audit committee, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

March 28, 2011



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

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

Compliance

We have audited the compliance of Brevard Workforce Development Board, Inc. (The "Board") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and in accordance with the special audit guidance provided by the Agency for Workforce Innovation, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

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 The Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of The Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

Management of The Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 the Board'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.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, Board of Directors, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



March 28, 2012

BREVARD WORKFORCE DEVELOPMENT BOARD, INC.
(d/b/a Brevard Workforce)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Brevard Workforce
2. No significant deficiency relating to the audit of the financial statements are reported in the 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, were disclosed during the audit.
4. No significant deficiency relating to the audit of the major federal programs are reported in the report on compliance with requirements applicable to each major federal program and on internal control over compliance in accordance with OMB Circular A-133.
5. The independent auditors' report on compliance for each major federal program for Brevard Workforce, Inc expresses an unqualified opinion.
6. Audit findings relative to the major federal awards programs and state projects for Brevard Workforce are reported in Part C. of this Schedule.
7. Dollar threshold for Type A programs was \$463,662. The programs tested as major programs include:

<u>Federal Program</u>	<u>CFDA No.</u>
Welfare Transition	93.558
Welfare Transition - ARRA	93.714
WIA National Emergency Grant	17.277
WIA Project Grants (AWTI & JTRI)	17.261

8. The Brevard Workforce was determined to be a low-risk auditee pursuant to OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS

None

**BREVARD WORKFORCE DEVELOPMENT BOARD INC.
(d/b/a Brevard Workforce)
CERTIFICATION REQUIRED BY
STATE OF FLORIDA AGENCY FOR WORKFORCE INNOVATION
FOR THE YEAR ENDED JUNE 30, 2011**

As required by OMB Circular A-133 and Audit Resolution Policy Number WPDG-FG-00-0019 issued by the U.S. Department of Labor, independent auditors are required to determine if the Brevard Workforce Development Board, Inc. (the Board) is complying with this policy with regard to sub-recipients having audits performed in accordance with OMB Circular A-133. During the year ended June 30, 2011, the Board contracted with sub-recipients to perform all intake and eligibility determinations. As a result, the Board was required to monitor for sub-recipients during this period. The Board is receiving and reviewing audit reports for sub-recipients as required and is issuing appropriate determinations in a timely manner.