

**GULF COAST WORKFORCE
DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST**

FINANCIAL STATEMENTS

JUNE 30, 2024

GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Gulf Coast Workforce Development Board, Inc.
d/b/a CareerSource Gulf Coast:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of Gulf Coast Workforce Development Board, Inc. d/b/a CareerSource Gulf Coast (the "Organization") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Organization, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations 's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

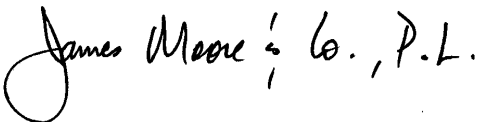
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CareerSource Gulf Coast's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Organization's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida
March 18, 2025

**GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Management is pleased to offer the following assessment of the financial operations of Gulf Coast Workforce Development Board, Inc. d/b/a CareerSource Gulf Coast (the “Organization”), for the year ending June 30, 2024.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Organization’s basic financial statements. the Organization’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Organization’s finances in a manner similar to a private sector business. The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities.

The *statement of net position* presents information on all of the Organization’s assets and liabilities, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the Organization is improving or deteriorating.

The *statement of activities* presents information showing how the Organization’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The location of the basic government-wide financial statements can be found in the table of contents.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. the Organization uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. the Organization maintains one governmental fund, which is the General fund.

Governmental funds. *Governmental funds* are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be used in evaluating a government’s near-term financing requirements.

GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents a Schedule of Expenditures of Federal Awards. This schedule lists all federal grants awarded to the Organization and their related expenditures for the fiscal year ended June 30, 2024. The location of the Schedule of Expenditures of Federal Awards can be found in the table of contents.

Condensed Financial Statements

Net Position

	2024	2023
Current and other assets	\$ 1,414,428	\$ 1,760,600
Capital assets	2,310,273	2,545,135
Total assets	3,724,701	4,305,735
Current liabilities	358,726	719,932
Noncurrent liabilities	2,447,821	2,555,173
Total liabilities	2,806,547	3,275,105
Net position		
Net investment in capital assets	(137,548)	(10,038)
Restricted	203,836	750,011
Unrestricted	851,866	290,657
Total net position	\$ 918,154	\$ 1,030,630

Changes in Net Position

	2024	2023
Program revenues:		
Operating grants and contributions	\$ 3,342,995	\$ 4,099,007
Total revenues	3,342,995	4,099,007
Expenses:		
Training, retraining and readjustment	3,455,471	4,555,563
Total expenses	3,455,471	4,555,563
Decrease in net position	(112,476)	(456,556)
Net position, beginning of year	1,030,630	1,487,186
Net position, end of year	\$ 918,154	\$ 1,030,630

GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Continued)

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Government-wide Financial Analysis

Net Position: The Organization's net position decreased by \$112,476 from fiscal year 2023. The primary cause of this decrease was due to the timing of the amortization expense recognized for right-to-use assets. Restricted net position is comprised of annual donor restricted funding for a summer program that takes place subsequent to year end and funding provided by the donor for emergency assistance.

THE BOARD'S INDIVIDUAL FUND

General Fund

The General Fund receives its funding under cash advance and cost reimbursement contracts. If at the end of the fiscal year, an advance is not sufficient to cover applicable expenditures, a receivable is created. If an advance is in excess of applicable expenditures, a refundable advance is reported. Consequently, revenues will generally equal expenditures with a small profit due to charges for services not funded by grants. The fund balance represents amounts from performance grants and other charges for services.

The \$15,034 decrease in fund balance for Program Year 2024 was a result of expenditures exceeding revenues for the Board's unrestricted contracts that are not cost reimbursable by the Department of Commerce and are only funded by the Organization's unrestricted sources.

Capital Asset Administration

Excluding right-to-use assets for leases under GASB Statement No. 87, *Leases*, the Organization experienced a decrease in capital assets. Decreases in capital assets during the year ended June 30, 2024, were related to the depreciation of capital assets in the amount \$56,180. The Organization had right-to-use assets for leases in the amount of \$2,862,168 net of accumulated amortization and lease liabilities in the amount of \$2,447,821 as of June 30, 2024.

Debt Administration

The Organization's long-term debt is its accrual for compensated absences and lease liability. Please refer to the notes accompanying financial statements entitled *Long Term Debt* and *Leases* for more detailed information about long-term debt activity.

Budgetary Highlights

The Organization is not legally required to adopt a budget. As such, budgetary exhibits are not presented.

GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024
(Continued)

Economic Factors

88% of the Organization's revenues were generated from federal grants, most of which were passed through the State of Florida's Department of Commerce. Anything that could influence federal and state appropriations of these funds will have a direct impact on the Organization.

Request for Information

This report is designed to provide a general overview of the Organization's finances for all those with an interest in the Organization's finances. Questions concerning any of the information in this report or requests for additional information should be addressed as follows:

Financial Director
Gulf Coast Workforce Development Board, Inc.
5230 West Highway 98
Panama City, Florida 32401

GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
STATEMENT OF NET POSITION
JUNE 30,2024

	Governmental Activities
<u>ASSETS</u>	
Current assets	
Cash and cash equivalents	\$ 560,722
Grant, contract, and other receivables	292,230
Total current assets	852,952
Non-current assets	
Capital assets	
Vehicles and equipment	384,143
Right-to-use assets - building and copier equipment	2,862,168
Less: Accumulated depreciation	(283,304)
Less: Accumulated amortization - right-to-use-assets	(652,734)
Total capital assets	2,310,273
Cash value of investment	561,476
Total non-current assets	2,871,749
Total assets	\$ 3,724,701
<u>LIABILITIES AND NET POSITION</u>	
Current liabilities	
Accounts payable and accrued expenses	\$ 11,811
Due to fiscal agent	346,915
Total current liabilities	358,726
Non-current liabilities	
Due within one year:	
Lease liability	167,038
Due in more than one year:	
Lease liability	2,280,783
Total non-current liabilities	2,447,821
Total liabilities	\$ 2,806,547
Net Position	
Net investment in capital assets	\$ (137,548)
Restricted:	
Emergency assistance	130,866
Summer program	72,970
Unrestricted	851,866
Total net position	\$ 918,154

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

**GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30,2024**

	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Functions/Programs				
Governmental activities:				
Training, retraining and readjustment	\$ 3,455,471	\$ -	\$ 3,342,995	\$ (112,476)
Total governmental activities	\$ 3,455,471	\$ -	\$ 3,342,995	(112,476)
		Change in net position		(112,476)
		Net position, beginning of year		1,030,630
		Net position, end of year		\$ 918,154

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

GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30,2024

	General Fund
Assets	
Cash and cash equivalents	\$ 560,722
Grant, contract, and other receivables	292,230
Cash value of investment	561,476
Total assets	\$ 1,414,428
Liabilities	
Accounts payable and accrued expenses	\$ 11,811
Due to fiscal agent	346,915
Total liabilities	358,726
Fund Balance	
Restricted:	
Emergency assistance	130,866
Summer program	72,970
Unassigned	851,866
Total Fund Balance	1,055,702
Total Liabilities and Fund Balance	\$ 1,414,428

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

**GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
JUNE 30,2024**

Fund balances - total governmental fund		\$ 1,055,702
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Total governmental capital assets	3,246,311	
Less: accumulated depreciation and amortization	<u>(936,038)</u>	2,310,273
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of the following:		
Lease liability	<u>(2,447,821)</u>	(2,447,821)
Net position of governmental activities		<u><u>\$ 918,154</u></u>

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

**GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30,2024**

	General Fund
Revenues	
Grants and contracts	\$ 3,310,209
Other	32,786
Total revenues	3,342,995
Expenditures	
Personnel	1,761,045
Travel and meetings	36,370
Communications and utilities	67,116
Short-term lease	12,886
Direct program services	959,897
Insurance	34,450
Other	78,645
Printing and supplies	32,050
Professional	63,839
Debt service:	
Principal	150,466
Interest	131,197
Total expenditures	3,327,961
Net change in fund balance	15,034
Fund balance, beginning of year	1,040,668
Fund balance, end of year	\$ 1,055,702

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

**GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30,2024**

Net Change in Fund Balance - Total Governmental Fund	\$	15,034
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.</p>		
Amortization expense		(221,796)
Depreciation expense		(56,180)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Principal payments on lease liability		150,466
Change in net position of governmental activities:	\$	<u>(112,476)</u>

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

GULF COAST WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

The following is a summary of the more significant accounting policies and practices of Gulf Coast Workforce Development Board, Inc. d/b/a CareerSource Gulf Coast (the “Organization”) which affect significant elements of the accompanying financial statements:

(a) **Reporting entity**— The Organization is a nonprofit corporation established to provide for enhanced coordination, cooperation, and outcomes by and between the several entities, both public and private, which are involved at the local level in providing youth and adults with opportunities to develop and continuously upgrade their knowledge and skills in order to advance economically and socially throughout their lifetime, and in providing employers with the skilled workforce necessary to be competitive in local, state, national and/or international markets. The Organization was created to fulfill the duties and responsibilities provided for by the Workforce Investment Act (WIA) of 1998-Title 1, superseded by the Workforce Innovation and Opportunity Act of 2014 (WIOA), and the State of Florida Workforce Innovation Act of 2000 for the Region 4 Local Workforce Investment Area which is comprised of Bay, Franklin and Gulf counties. The governing board of The Organization consists of twenty-three voting members and two non-voting members who are appointed by state and local officials.

The accounting policies adopted by the Board of Directors conform to accounting principles generally accepted in the United States of America as applied to not-for-profit organizations reporting using the governmental model. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Organization. There were no entities that required inclusion as a component unit within the Organization 's financial statements.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Organization. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. The Organization has no business-type activities.

The Statement of Net Position reports the Organization’s financial position as of the end of the fiscal year. In this statement, the Organization's net position are reported in two categories: investment in capital assets and unrestricted net position.

The Statement of Activities is displayed using a net-cost format and reports the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect costs are included in the program expense reported for individual functions and activities. Program revenues include (1) charges for services that are directly related to a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the general fund, which is the Organization’s only fund.

GULF COAST WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

(c) **Measurement focus and basis of accounting**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Organization considers most revenues, such as reimbursement-based grant revenues and charges for service, to be susceptible to accrual and so they have been recognized as revenues in the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received. When both restricted and unrestricted resources are available for use, it is the Organization’s policy to use restricted resources first, then unrestricted resources as they are needed.

Major Governmental Fund—The sole governmental fund used by the Organization is the general fund, which is used to account for all financial activity of the Organization.

(d) **Cash and cash equivalents**—Cash and cash equivalents of the Organization are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(e) **Grants, contract, and other receivables**—Grants and other receivables consist of amounts due from grantor agencies for reimbursement of expenditures under various programs. Management has concluded that realization of losses on balance outstanding at year-end will be immaterial.

(f) **Capital assets and depreciation**—Capital assets are defined by the Organization as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of the donation. The Federal Government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year. Depreciation of capital assets is computed using the straight-line method over estimated useful lives as follows:

Assets	Years
Leasehold improvements	30
Equipment	5–10
Vehicles	5
Right-to-use assets	13

GULF COAST WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

(g) **Due to fiscal agent**—Due to fiscal agent are comprised of amounts received from grantor agencies by the Organization prior to meeting revenue recognition criteria. In subsequent periods, when the revenue recognition criteria have been met, the liability for the amounts due to the fiscal agent is reduced and revenue is recognized.

(h) **Prepays and other assets**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepays in both the government-wide and fund financial statements.

(i) **Compensated absences**—Employees of the Organization are leased from Gulf Coast State College (the “College”). Liabilities for compensated absences are accrued in the College’s financial records and the Organization makes payments to the College to cover eligible employees. Eligible employees accrue vacation and sick leave at varying rates based upon length of employment. Vacation and sick leave is accrued as earned by employees and recorded as an expense in the period earned. The maximum amount of vacation that an employee may accumulate is 330 hours and the maximum an employee may be paid for is 225 hours. Upon termination, an employee may receive payment for unused accumulated sick leave after six years of service.

(j) **Indirect costs**— The Organization receives funds from several sources. Accordingly, indirect administrative and program support costs are allocated between the various programs in the following manner: Indirect administrative costs and indirect program support costs, including indirect salary costs, are charged to either an administrative or program cost pool and allocated to all programs including WTP, WIOA youth, WIOA adult, and WIOA dislocated workers contracts based on each program's direct program costs. Indirect occupancy costs are charged to a cost pool and allocated to all programs based on each program's direct program costs. Indirect occupancy costs are charged to various funding sources or indirect costs pools based on FTE’s determined by bi-weekly personnel activity reports. The allocation ratios are determined based upon each program's percentage of total time charged by staff

(k) **Budgets**—The general expenditure authority of the Organization, as provided by Sections 445.004 and 445.007 of the Florida Statutes, does not require a legally adopted budget placed into public law. Accordingly, the budgetary comparison schedules for governmental funds have not been presented as supplementary information required by the Governmental Accounting Standards Board.

(l) **Income taxes**— The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income. Since the Organization had no taxable unrelated business income during the year ended June 30, 2024, no provision for income taxes is provided in the financial statements.

GULF COAST WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

Management of the Organization considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to the Organization status as a not-for-profit entity. Management believes the Organization met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore no provision for income taxes has been provided in these financial statements. The Organization's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

(m) **Use of estimates**—The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

(n) **Fund balance**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Organization is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the Bylaws, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed—Amounts that can be used only for specific purposes determined by a formal action by ordinance or resolution.

Assigned—Amounts that are designated by the Organization's directors for a specific purpose but are not spendable until a budget ordinance is passed by the Organization's directors.

Unassigned—All amounts not included in other spendable classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Organization considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Organization considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Organization's directors have provided otherwise in its commitment or assignment actions.

(o) **Net position flow assumption**—Sometimes the Organization will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the Organization's policy to consider restricted net position to have been used before unrestricted net position is applied.

GULF COAST WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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

(p) **Leases**—The Organization leases building facilities and copier equipment and determines if an arrangement is a lease at inception. The Organization recognizes intangible right-to-use (RTU) assets and corresponding lease liabilities for all leases that are not considered short-term. RTU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Basis of lease classification – Leases that meet the following requirement will not be considered short term: the maximum possible lease term(s) is non-cancelable by both lessee and lessor, and is more than 12 months, and (2) the present value of lease payments for the lease is less than \$5,000.

Discount Rate – Unless explicitly stated in the lease agreement, known by the Organization, or the Organization is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities is 5.5% for applicable leases beginning after July 1, 2021 and applicable lease conversions.

The Organization’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

(q) **Cash value of investment**—The Organization’s investment in a corporate owned flexible premium deferred annuity is recorded at fair market value, equal to the cash surrender value, as an asset in the accompanying Statement of Net Position and Governmental Fund Balance Sheet. The policy costs, net of changes to cash surrender value, is included as an expenditure in the accompanying Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund Balance.

(r) **Revenues and expenditures/expenses**—Generally, revenue is received from the State of Florida, Department of Commerce and is earned on a cost reimbursement basis.

(s) **Subsequent events**—The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 18, 2025, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(t) **New accounting pronouncements**— The Governmental Accounting Standards Board (GASB) and other entities issued new or modifications to, or interpretations of, existing accounting guidance during 2024. The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements, does not believe that any other new or modified principles will have a material impact on the Organization’s reported financial position or operations in the near term.

GULF COAST WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheets and the government-wide statements of net position**—Following the governmental fund balance sheets is a reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide statements of net position. The details of these differences are explained in the above referenced financial statements.

(b) **Explanation of certain differences between the governmental fund statements of revenues, expenditures, and changes in fund balance and the government-wide statements of activities**—Following the governmental fund statements of revenues, expenditures, and changes in fund balance, there is a reconciliation between *net change in fund balance – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statements of activities. The details of these differences are explained in the above referenced financial statements.

(3) **Capital Assets and Depreciation:**

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Vehicles and equipment	\$ 384,143	\$ -	\$ -	\$ 384,143
Right-to-use buildings	2,819,053	-	-	2,819,053
Right-to-use equipment	-	43,115	-	43,115
Less accumulated depreciation	(227,124)	(56,180)	-	(283,304)
Less accumulated amortization – Right-to-use buildings	(430,938)	(215,469)	-	(646,407)
Less accumulated amortization – Right-to-use equipment	-	(6,327)	-	(6,327)
Capital assets, net	<u>\$ 2,545,134</u>	<u>\$ (234,861)</u>	<u>\$ -</u>	<u>\$ 2,310,273</u>

For the year ended June 30, 2024, depreciation expense was \$56,180 and amortization expense was \$221,796, and was charged to training program.

(4) **Leases:**

CareerSource Gulf Coast as Lessee

In fiscal year 2001, the Organization entered into a lease agreement with Tarragon Mariner Plaza, Inc., as lessee for building facilities at 625 Highway 231, Panama City, Florida, which was last renewed in fiscal year 2019-2020. A right-to-use asset was added to the Organization’s capital assets for \$2,819,053 which is included in the building class. The accumulated amortization as of June 30, 2024, was \$646,407. The building facility has a thirty-year estimated useful life. As of June 30, 2024, the present value of the future minimum lease payments was \$2,410,444. The discount rate applied to the leases is 5.5%.

GULF COAST WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(4) **Leases:** (Continued)

In fiscal year 2024, the Organization entered into lease agreements for five copier machines. Right-to-use assets were added to the Organization's capital assets for \$43,115, which are included in the equipment class. The accumulated amortization as of June 30, 2024, was \$6,327. The copier machines have five-year estimated useful lives. As of June 30, 2024, the present value of the future minimum lease payments was \$37,377. The discount rate applied to the leases is 5.5%.

Lease expense for the right-to-use assets for the year ended June 30, 2024, is as follows:

	June 30, 2024
Copiers	\$ 6,327
Buildings	215,469
Total amortization expense	221,796
Interest on lease liabilities	131,197
Total	\$ 352,993

The principal and interest requirements to maturity for the lease liability as of June 30, 2024, is as follows:

Year Ending June 30,	Principal	Interest	Total Payments
2025	\$ 167,038	\$ 130,480	\$ 297,518
2026	182,611	120,900	303,511
2027	198,604	110,447	309,051
2028	214,579	99,133	313,712
2029	226,188	86,996	313,184
2030 - 2034	1,430,275	220,413	1,650,688
2035	28,526	131	28,657
Total future minimum lease payments	\$ 2,447,821	\$ 768,500	\$ 3,216,321

(5) **Changes in Long-term Liabilities:**

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
Lease liability	\$ 2,555,173	\$ 43,115	\$ (150,467)	\$ 2,447,821	\$ 167,038

GULF COAST WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(6) Risk Management:

The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Organization carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Personal Property, General Liability and Commercial Crime
- Director's and Officer's Liability

Amounts of settlements, if any, have not exceeded insurance coverage for the past year.

(7) Concentrations of Credit Risk and Significant Funding Source:

(a) **Cash and cash equivalents**—As of June 30, 2024, the Organization had demand deposits with two financial institutions of \$393,207. The Organization has no policy requiring collateral or other security to support its deposits, although all demand deposits with banks are federally insured up to FDIC limitations. The demand deposits with the financial institutions are insured up to \$250,000.

(b) **Grants, contract, and other receivables**—The Organization's receivables are for amounts due under contracts with the State of Florida and Federal government agencies. The Organization has no policy requiring collateral or other security to support its receivables.

(c) **Significant funding source**—During the years ended June 30, 2024, the Organization received approximately 88% of its funding from the United States Department of Labor and the United States Department of Health and Human Services passed through the Department of Commerce. If a significant reduction in the level of this funding were to occur, it could have an adverse effect on the Organization's program and activities.

(d) **Cash value of investment**—The Organization's cash value of investment is for amounts that the Organization is a beneficiary for with a life insurance contract.

(8) Contingencies and Uncertainties:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

GULF COAST WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(9) Related Party Balances Transactions and Gulf Coast State College:

Gulf Coast State College (the “College”) acts as a fiscal agent for the Organization. Throughout the year the College collects grant revenues, pays invoices as requested by the Organization, and pays leased employees. Employees of the Organization are leased from the College for staffing purposes. The College provides employee benefits, including life insurance and retirement plan participation. All expenses associated with the services provided by the employee leasing service are shown as personnel expense on the Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund Balance. As of June 30, 2024, the Organization owed the College \$346,915 for invoices paid in June by the College such as service provider payments, and payroll.

The College, a direct service provider, has a member of their management serving on Organization’s board of directors. The College representative is mandated to serve on the board according to the Workforce Innovation and Opportunity Act of 2014 (WIOA) and falls under state conflict of interest laws. During the year ended June 30, 2024, amounts paid to this service provider totaled \$490,386. A payable related to the provider relationship is also shown on the statement of net position totaling \$334,689.

The Organization also paid several entities where the Executive Director of the Organization also serves in a volunteer capacity role as a member of the respective entity’s board of directors. These payments totaled \$12,650 for the year ended June 30, 2024.

GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30,2024

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Award Number	Pass-Through to Subrecipients	Expenditures
FEDERAL AWARDS				
U. S. Department of Health and Human Services				
Passed through State of Florida, Department of Economic Opportunity				
Temporary Assistance for Needy Families	93.558	WTS23	\$ 7,179	\$ 136,752
Temporary Assistance for Needy Families	93.558	WTS24	20,962	254,562
			<u>28,141</u>	<u>391,314</u>
U. S. Department of Labor				
Passed through State of Florida, Department of Economic Opportunity				
Employment Service/Wagner-Peyser Funded Activities	17.207	WPB24	44,641	139,149
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA23	2,954	9,135
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA24	11,659	49,250
Disable Veterans' Outreach Program (DVOP)	17.801	VPI23	-	11,865
Disable Veterans' Outreach Program (DVOP)	17.801	DLC23	2,226	10,726
Disable Veterans' Outreach Program (DVOP)	17.801	DLC24	5,774	23,558
Disable Veterans' Outreach Program (DVOP)	17.801	DVP23	2,906	13,159
Disable Veterans' Outreach Program (DVOP)	17.801	DVP24	5,094	28,921
Disable Veterans' Outreach Program (DVOP)	17.801	LVR23	2,906	9,906
Disable Veterans' Outreach Program (DVOP)	17.801	LVR24	13,094	63,962
		Total Employment Service Cluster	<u>91,254</u>	<u>359,631</u>
Unemployment Insurance	17.225	UCR22	15,605	32,391
Unemployment Insurance	17.225	UCR23	23,057	34,281
			<u>38,662</u>	<u>66,672</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30,2024
(Continued)

<u>Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Award Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Expenditures</u>
FEDERAL AWARDS (Continued)				
U. S. Department of Labor (Continued)				
Passed through State of Florida, Department of Commerce (Continued)				
WIOA Adult Program	17.258	WIA23	\$ 14,829	\$ 81,536
WIOA Adult Program	17.258	WIA24	82,538	326,033
WIOA Adult Program	17.258	WIS22	-	15,798
WIOA Adult Program	17.258	WIS23	-	81,719
WIOA Adult Program	17.258	WIS24	-	7,534
WIOA Youth Activities	17.259	WIY23	58,690	240,408
WIOA Youth Activities	17.259	WIY24	53,729	180,455
WIOA Youth Activities	17.259	WIS22	-	15,320
WIOA Youth Activities	17.259	WIS23	-	79,243
WIOA Youth Activities	17.259	WIS24	-	7,299
WIOA Dislocated Worker Formulas Grants	17.278	WID23	21,803	159,135
WIOA Dislocated Worker Formulas Grants	17.278	WID24	34,959	396,461
WIOA Dislocated Worker Formulas Grants	17.278	WIS22	-	16,756
WIOA Dislocated Worker Formulas Grants	17.278	WIS23	-	86,672
WIOA Dislocated Worker Formulas Grants	17.278	WIS24	-	8,711
WIOA Dislocated Worker Formulas Grants	17.278	WIR24	-	48,802
WIOA Rural Initiatives	17.278	WRS22	-	125,000
Total Workforce Innovation and Opportunity Act Cluster			<u>266,548</u>	<u>1,876,882</u>
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	17.277	WNO20	-	219,528
			<u>-</u>	<u>219,528</u>
U. S. Department of Agriculture				
Passed through State of Florida, Department of Commerce				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FSH23	1,927	14,626
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FSH24	5,273	24,709
Total Supplemental Nutrition Assistance Program Cluster			<u>7,200</u>	<u>39,335</u>
TOTAL FEDERAL AWARDS			<u>\$ 431,805</u>	<u>\$ 2,953,362</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal award activity of Gulf Coast Workforce Development Board, Inc. d/b/a CareerSource Gulf Coast. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

(2) **Summary of Significant Accounting Policies:**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(3) **De Minimis Indirect Cost Rate Election:**

Gulf Coast Workforce Development Board, Inc. d/b/a CareerSource Gulf Coast has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors,
Gulf Coast Workforce Development Board, Inc. d/b/a CareerSource Gulf Coast:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of Gulf Coast Workforce Development Board, Inc. d/b/a CareerSource Gulf Coast (“the Organization”) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Organization’s basic financial statements, and have issued our report thereon dated March 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Organization’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of The Organization’s internal control.

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

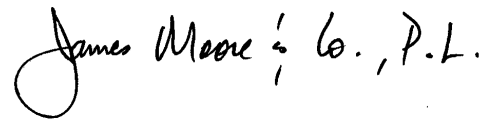
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large initial "J" and a distinct "Co." at the end.

Tallahassee, Florida
March 18, 2025

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Directors,
Gulf Coast Workforce Development Board, Inc. d/b/a CareerSource Gulf Coast:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gulf Coast Workforce Development Board, Inc. (“the Organization”)’s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization’s major federal programs for the year ended June 30, 2024. The Organization’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); the special audit guidance provided by the State of Florida Department of Commerce and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors’ Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization’s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the special audit guidance provided by the State of Florida Department of Commerce will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the special audit guidance provided by the State of Florida Department of Commerce, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

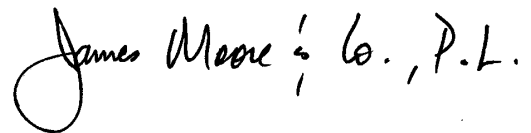
Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, prominent initial "J" that loops around the first part of the name.

Tallahassee, Florida
March 18, 2025

**GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024**

I. Summary of Auditors' Results:

Financial Statements

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Types of Auditors' report issued on compliance for major Federal programs: *Unmodified*

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:

Federal Program	Federal AL Number
WIOA Cluster	17.258, 17.259, 17.278
Dollar threshold used to distinguish between type A and type B Federal programs:	750,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

GULF COAST WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE GULF COAST
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024
(Continued)

II. Financial Statement Findings:

None.

III. Federal Award Findings and Questioned Costs:

None.

IV. State of Florida, Department of Commerce Reporting Requirements:

Gulf Coast Workforce Development Board, Inc. performed timely reconciliations between the general ledger accounting system and the Subrecipient Enterprise Resource Application.

V. Federal Award Summary Schedule of Prior Year Findings: No prior year findings.