

**PASCO-HERNANDO  
WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE  
PASCO HERNANDO**

**FINANCIAL STATEMENTS**

**June 30, 2023**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Pasco-Hernando Workforce Board, Inc.  
d/b/a CareerSource Pasco Hernando

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of Pasco-Hernando Workforce Board, Inc. d/b/a CareerSource Pasco Hernando (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditor's 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

***Supplementary Information (continued)***

prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

***Report on Summarized Comparative Information***

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
December 7, 2023

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2023 AND 2022**

**ASSETS**

	2023	2022
Current assets:		
Cash and cash equivalents	\$ 1,069,130	\$ 1,637,577
Grants receivable	1,353,197	445,286
Prepaid expenses	69,452	60,467
Deposits and other	73,033	47,139
	<hr/>	<hr/>
Total current assets	2,564,812	2,190,469
Operating lease right-of-use asset	990,291	-
Property and equipment, net	30,915	42,185
	<hr/>	<hr/>
Total assets	<u>\$ 3,586,018</u>	<u>\$ 2,232,654</u>

**LIABILITIES AND NET ASSETS**

Current liabilities:		
Accounts payable and accrued expenses	\$ 465,651	\$ 229,188
Contracts payable	238,200	327,193
Accrued wages and benefits	118,583	97,849
Accrued compensated absences	55,817	54,004
Operating lease liability	293,885	-
Deferred grant revenue	147,032	133,427
	<hr/>	<hr/>
Total current liabilities	1,319,168	841,661
Non-current operating lease liability	696,406	-
Non-current portion of accrued compensated absences	316,298	306,019
	<hr/>	<hr/>
Total liabilities	2,331,872	1,147,680
Net assets:		
Without donor restrictions	1,254,146	1,084,974
	<hr/>	<hr/>
Total net assets	1,254,146	1,084,974
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 3,586,018</u>	<u>\$ 2,232,654</u>

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

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**STATEMENTS OF ACTIVITIES**

**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>REVENUES:</b>		
Grant revenue	\$ 9,153,132	\$ 8,016,483
Other income	678,282	469,555
	<u>9,831,414</u>	<u>8,486,038</u>
Total revenues and support		
<b>EXPENSES:</b>		
Programs		
Workforce Innovation and Opportunity Act	3,621,009	3,009,298
Welfare Transition	3,552,225	3,177,391
Wagner-Peyser and Veterans Services	846,448	761,210
RESEA	369,613	372,230
Supplemental Nutrition Assistance	151,523	141,587
National Emergency	97,844	66,086
Other	484,786	520,112
Administrative		
Management and general	538,794	618,431
	<u>9,662,242</u>	<u>8,666,345</u>
Total expenses		
Increase (decrease) in net assets	169,172	(180,307)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,084,974</u>	<u>1,265,281</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 1,254,146</u></u>	<u><u>\$ 1,084,974</u></u>

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

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**STATEMENT OF FUNCTIONAL EXPENSE**

**YEAR ENDED JUNE 30, 2023**  
(with summarized financial information for the year ended June 30, 2022)

	<b>Program Services</b>							<b>Management and General</b>	<b>2023</b>	<b>2022</b>
	<b>Workforce Innovation and Opportunity Act</b>	<b>Welfare Transition</b>	<b>Wagner-Peyser and Veterans Services</b>	<b>RESEA</b>	<b>Supplemental Nutrition Assistance</b>	<b>National Emergency</b>	<b>Other</b>			
Personnel and benefits	\$ 1,323,168	\$ 1,473,570	\$ 282,168	\$ 338,564	\$ 136,822	\$ 75,892	\$ 381,245	\$ 449,241	\$ 4,460,670	\$ 4,250,918
Participant training and support	2,093,986	1,855,656	-	-	-	5,604	41,241	-	3,996,487	3,322,418
Communications	14,311	15,983	48,919	2,536	1,149	115	1,091	1,969	86,073	87,242
Depreciation	-	-	-	-	-	-	11,270	-	11,270	6,840
Insurance	5,506	7,752	27,510	1,136	543	32	207	394	43,080	42,231
Professional and contractual	36,534	58,682	143,997	6,634	3,058	241	5,972	46,903	302,021	322,994
Facilities, repairs and supplies	138,928	131,786	334,062	19,042	9,216	772	2,430	26,987	663,223	566,710
Travel and training	6,974	6,453	7,582	1,281	559	15,165	1,779	12,784	52,577	10,799
Other	1,602	2,343	2,210	420	176	23	39,551	516	46,841	56,193
<b>Total expenses</b>	<b>\$ 3,621,009</b>	<b>\$ 3,552,225</b>	<b>\$ 846,448</b>	<b>\$ 369,613</b>	<b>\$ 151,523</b>	<b>\$ 97,844</b>	<b>\$ 484,786</b>	<b>\$ 538,794</b>	<b>\$ 9,662,242</b>	<b>\$ 8,666,345</b>

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



**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 169,172	\$ (180,307)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	11,270	6,840
(Increase) decrease in assets:		
Accounts receivable	-	1,356
Grants receivable	(907,911)	378,606
Prepaid expense	(8,985)	8,863
Deposits and other	(25,894)	(770)
Increase (decrease) in liabilities:		
Accounts and contracts payable	147,470	(14,978)
Accrued wages and benefits	20,734	24,098
Accrued compensated absences	12,092	5,358
Deferred grant revenue	13,605	(680,380)
Net cash used in operating activities	<u>(568,447)</u>	<u>(451,314)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<u>-</u>	<u>(22,151)</u>
Net cash used in investing activities	<u>-</u>	<u>(22,151)</u>
Net decrease in cash and cash equivalents	(568,447)	(473,465)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>1,637,577</u>	<u>2,111,042</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 1,069,130</u></u>	<u><u>\$ 1,637,577</u></u>
<b>SIGNIFICANT NON-CASH TRANSACTIONS - OPERATING LEASE</b>		
Operating lease right-of-use asset	<u>\$ 1,164,871</u>	<u>\$ -</u>
Operating lease liability	<u><u>\$ (1,164,871)</u></u>	<u><u>\$ -</u></u>

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

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 1 – NATURE OF OPERATIONS**

Pasco-Hernando Workforce Board, Inc. (the "Organization") is a not-for-profit corporation that was established under the laws of the State of Florida. The Organization is one of twenty-four Regional Workforce Development Boards in the State of Florida providing for the development, planning, monitoring and administration of grants and programs. The majority of the Organization's funding is through the following grants: Workforce Innovation and Opportunity Act (WIOA), Welfare Transition/Temporary Assistance for Needy Families (TANF) and Wagner Peyser.

The majority of the programs services are administered by sub-recipients (Gulf Coast Jewish Family and Community Services, Inc. and Eckerd Youth Alternatives, Inc.).

The Organization covers Region 16 which includes Pasco and Hernando counties. The governing body of the Organization consists of Board members who are appointed by local officials to oversee conformance with grant regulations. A substantial portion of the Organization's support and revenue is received from the Florida Department of Economic Opportunity (DEO). As of July 1, 2023, the DEO changed its title to the Florida Department of Commerce.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

Financial Statements

The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the Guide). ASC 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization held no assets with donor imposed restrictions at year end.

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature. There were no non-operating activities for the fiscal year ended June 30, 2023.

Basis of Accounting and Presentation

The Organization uses the accrual basis of accounting, in which revenues are recognized when they are earned and expenses are recognized when they are incurred. Revenues and the related expenses of cost-reimbursement grant programs are recognized as allowable costs are incurred. The Organization recognizes revenues from exchange transactions when the services are rendered. Receivables are recognized for outstanding invoices.

Grants Receivable

The Organization's grants receivable mainly consist of amounts receivable from governments and governmental agencies for grants and appropriations. The Organization considers its receivables to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded. Any accounts deemed uncollectible would be charged to expense when the determination is made. There were no uncollectible accounts during the fiscal year ended June 30, 2023. The Organization does not charge interest on outstanding accounts receivable.

Prepaid Expenses

Prepaid expenses consist of prepaid rents and leases, insurance and other annual contractual and dues renewals.

Deferred Grant Revenue

Deferred revenue represents grant money which has been received, but for which the prescribed services have not yet been completed. These revenues will be recognized as income when these services are completed.

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is feasible to estimate that value:

Cash, Grants Receivable and Accounts Payable – Carrying amount approximates fair value due to the short maturity of these financial instruments.

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue Recognition

The Organization follows Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied, and ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958-605), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

Unconditional contributions are recognized when received and recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of the donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as assets without donor restriction upon acquisition of the assets and the assets are placed in service.

The Organization historically does not receive contributions from donors. Primarily all of its funding is through grants, which must be expended on specified programs or activities. Cost reimbursement grants are recorded as revenue when the related expenses have been incurred. Other grants are recorded as support and revenue when earned. As of June 30, 2023, all net assets of the Organization were without donor-imposed restrictions.

Donated Use of Assets and Donated Services

The estimated fair value of the free use of assets owned by others, and the estimated fair value of contributed services of individuals with special skills over which the Organization exercises control, and which constitute an enhancement to the normal programs or services that would not otherwise be performed by paid personnel, the amount of which is clearly measurable, are also recorded, when applicable, and reflected in the accompanying financial statements.

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fixed Assets

Property and equipment are recorded at cost, if purchased by the Organization, or at fair market value at the date of the gift, if received as a donation. The Organization capitalizes those assets with a cost of \$5,000 or greater. Depreciation is provided using the straight-line method over the following estimated useful lives:

Assets	Years
Software	3
Computer and Office Equipment	3
Vehicles	5
Furniture and Fixtures	10

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

Income Taxes

The Organization is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3). Management has evaluated the effect of the guidance provided by U.S. Generally Accepted Accounting Principles on Accounting for Uncertainty in Income Taxes. Management believes that the Organization continues to satisfy the requirements of a tax-exempt organization at June 30, 2023. Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined the Organization had no uncertain income tax positions. As required by the Internal Revenue Service's regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. Those returns for 2022, 2021, and 2020 are currently subject to review and adjustment by the Internal Revenue Service.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers all investments with an original maturity of three months or less to be cash equivalents.

At June 30, 2023, the Organization had five bank accounts with one banking institution. The bank balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. Uninsured cash balances at June 30, 2023 were \$32,460.

Paid Leave Time

Organization employees are entitled to certain paid leave time benefits based on length of employment and other factors. These benefits either vest or accumulate and are accrued when they are earned. The amount of paid leave time accrued at June 30, 2023 was \$372,115.

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Costs that are directly related to the Organization's specific purpose have been recorded as a direct expense and included as program services. Certain costs which are directly shared have been allocated, based on a percentage of direct costs, among programs and supporting services. Indirect costs are allocated to benefiting programs based upon an indirect cost rate approved by the U.S. Department of Labor.

Use of Estimates in the Preparation of Financial Statements

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

Reclassifications

Certain reclassifications of 2022 financial information have been made to conform to the 2023 presentation. Such reclassifications have no effect on change in net assets for that fiscal year.

Accounting Pronouncements Implemented

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842), that requires lessees to put most leases on their balance sheets and recognize expenses on their income statements in a manner similar to today's capital lease accounting. For lessors, the guidance modifies the classification criteria for accounting for sales-type and direct financing leases. The Organization adopted ASC 842 effective July 1, 2022 using the optional transition method. See Note 8 for a summary of the Organization's operating lease assets and liabilities.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities* (ASC 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets*, which requires the monitoring and tracking of gifts in kind by asset category, while also noting any donor-imposed restrictions. The Organization adopted ASC 958 effective July 1, 2022. The adoption had no significant impact on the Organization's financial statements.

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 3 – GRANTS RECEIVABLE**

Grants receivable consisted of the following at fiscal year ended June 30, 2023:

Back to Work	\$ 532,000
WIOA - Adult	487,652
WIOA - Youth	123,967
Supplemental Non-Custodial Parent	125,000
Disabled Veterans Outreach Program	30,665
WIOA - State Level Rapid Response	17,371
Welfare Transition/TANF	13,642
Supplemental Nutrition Assistance Program	12,252
Local Veterans Employment Representative	5,795
Wagner Peyser	4,853
	<hr/>
Total	\$ 1,353,197

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at fiscal year ended June 30, 2023:

Computer equipment	\$ 286,407
Office furniture	7,742
Office equipment	110,214
Mobile One-Stop Center	317,082
Software	62,900
	<hr/>
	784,345
Less: Accumulated Depreciation	(753,430)
	<hr/>
	\$ 30,915

Depreciation expense for the fiscal year ended June 30, 2023 was \$11,270.

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 5 – DEFERRED GRANT REVENUE**

The Organization records advances on grants as deferred grant revenue until it is expended for the purpose of the grant or contract, at which time it becomes unconditional and is recognized as revenue.

Deferred grant revenue consisted of the following at fiscal year ended June 30, 2023:

WIOA - Dislocated Worker	\$ 64,872
Wagner Peyser	60,617
Reemployment Services and Eligibility Assessments	18,964
National Emergency	2,009
Trade Adjustment Assistance	<u>570</u>
Total	<u><u>\$ 147,032</u></u>

**NOTE 6 – GRANTS AND CONCENTRATION**

Grants are subject to renewals and period amendments and require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, the Organization deems the contingency remote since by accepting the contracts and their terms it has accommodated the objectives of the grantors to the provisions of these contracts.

Grants accounted for approximately 93% of revenues for the fiscal year ended June 30, 2023. Should a significant reduction in funding occur, the Organization's ability to fund its programs would be greatly reduced.

**NOTE 7 – RETIREMENT PLAN**

The Organization sponsors a 401(k) retirement plan for its employees who have attained 21 years of age. Voluntary employee contributions are allowed from eligible employees. The Organization makes a matching contribution of up to 5 percent of employees' eligible earnings. Although not required to do so, the Organization may decide to make additional contributions to the Plan. This additional contribution, if made, will be allocated to all employees eligible to participate in the Plan as of the end of each Plan year based on eligible earnings within the computation period. Employees are fully vested in their total account balance in the Plan. During the fiscal year ended June 30, 2023, the Organization made matching contributions of \$112,575 to the Plan.



**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 8 – LEASE OBLIGATIONS**

As disclosed in Note 2, the Organization adopted FASB ASC 842, *Leases*, effective July 1, 2022 using the optional transition method. The Organization leases buildings under three operating leases which were required to be included on the statement of financial position under ASC 842 at July 1, 2022 at their net present value of \$1,164,871. The adoption of ASC 842 had no impact to the prior year statement of financial position, and because the leases are operating leases, they had no impact on the results of the operations.

As of the fiscal year ended June 30, 2023, the right of use (ROU) asset had a balance of \$990,291, as shown in noncurrent assets on the statement of financial position; the lease liability is included in current liabilities (\$293,885) and long-term liabilities (\$696,406). The lease asset and liability were calculated utilizing the weighted average discount rate (5.04%), according to the Organization's elected policy. The weighted average remaining term of the operating leases is four years.

Additional information about the Organizations leases are as follows:

Lease Costs (included in facilities, repairs and supplies):

Operating lease cost	\$ 192,431
Total lease cost	<u>\$ 192,431</u>

Other information:

Cash paid for amounts included in measuring operating lease liabilities:

Operating cash flows from operating leases	\$ 192,431
Total cash paid for amounts included in measuring operating lease liabilities	<u>\$ 192,431</u>

Maturities of operating lease liabilities as of June 30, 2023:

Year ending June 30:	
2024	\$ 337,375
2025	275,626
2026	156,772
2027	163,043
2028	<u>169,565</u>
Total lease payments	1,102,381
Less: interest	<u>(112,090)</u>
Present value of lease liability	<u>\$ 990,291</u>

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 9 – CONTINGENCIES**

The Organization is subject to federal and state audits to determine compliance with grant funding requirements. In the event that expenditures would be disallowed, repayment could be required. Government grants require the fulfillment of certain conditions as set forth by applicable laws, rules and regulations, and in the grant agreements. Failure to fulfill the conditions could result in the return of the funds to the grantor.

**NOTE 10 – RELATED PARTIES**

The Organization's Board of Directors includes representatives of both the private and public sector industries. During the fiscal year ended June 30, 2023, the Organization had related party transactions with the following entities for training services:

	<u>Amount Paid</u>	<u>Amount Payable</u>
Keiser University	\$ 134,708	\$ 5,034
Withlacoochee River Electric	33,471	885
Amskills, Inc.	15,400	-
Suncoast Technical Education Center	14,000	-
Pasco-Hernando State College	9,575	5,712
Amerikey Locksmith, LLC	4,140	1,166
	<u>\$ 211,294</u>	<u>\$ 12,797</u>

**NOTE 11 – COMPARATIVE DATA**

The financial statements include certain prior year summarized information in total but not in program categories. Such information does not include sufficient detail to constitute a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the fiscal year ended June 30, 2022, from which the summarized information was derived.

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 12 – COST ALLOCATIONS**

The Organization records costs that can be directly identified as benefiting a specific WIOA, TANF, or DEO Joint Managed Programs funding stream as direct expenses of the related program. Certain costs which are directly shared, have been allocated to programs based upon the relative benefit received. The Organization allocates indirect costs that cannot be identified as benefiting a specific program. Indirect costs are allocated to benefiting programs based upon an indirect cost rate approved by the Florida Department of Economic Opportunity. The following is a table of cost allocation methodologies for expenditures which are allocated:

Cost Allocated	Allocation Method
Business Services: Outreach, public awareness and certain staff salaries and benefits	Directly charged or allocated by relative year to date direct salaries and benefits recorded in each benefitting program
Program Services: Resource room staffing and other shared costs of programs	Directly charged or allocated by relative year to date direct salaries and benefits recorded in each benefitting program
One-Stop Services: Supplies, repair and maintenance, IT services, rent and utilities, Mobile One-Stop	Directly charged or allocated by relative year to date direct salaries and benefits recorded in each benefitting program
Board Staff Services: Indirect and administrative services including salaries and benefits, travel, supplies, equipment, communications, and other Board costs	Directly charged or allocated by relative year to date direct salaries and benefits recorded in each benefitting program by the indirect cost rate approved by the Department of Labor

**NOTE 13 – LIQUIDITY AND AVAILABILITY**

Financial assets available within one year of the statement of financial position date of June 30, 2023 for general expenditures are as follows:

Cash and cash equivalents	\$ 1,069,130
Grants receivable	<u>1,353,197</u>
Total financial assets available	<u>\$ 2,422,327</u>

The Organization manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Directors. Regular reporting by management to those charged with governance ensures the results from operating activities are monitored closely.

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 14 – RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE AND THE STATEMENT OF ACTIVITIES TO SERA**

As required, the Organization regularly reconciles its financial records to the Subrecipient Enterprise Resource Application (SERA) maintained by DEO. As of June 30, 2023, 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 SERA for the fiscal year ended June 30, 2023:

Expenditures of Federal Awards	\$ 8,632,682
Expenditures of State Financial Assistance	520,450
Amount reported in SERA	<u>(9,153,132)</u>
Difference	<u><u>\$ -</u></u>

**NOTE 15 – EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events and transactions for potential recognition and disclosure through December 7, 2023, the date the financial statements were available to be issued.

**NOTE 16 – DESCRIPTION OF PROGRAM SERVICES**

The Organization had the following program services in the fiscal year ended June 30, 2023:

Workforce Innovation and Opportunity Act (WIOA) – WIOA programs provide youth, adults and dislocated workers with the information, advice, job search assistance and training they need to get and keep good jobs and provide employers with skilled workers.

National Emergency – Disaster grants provide funding to create temporary employment opportunities to assist with clean-up and recovery efforts, when an area impacted by disaster is declared eligible for public assistance by the Federal Emergency Management Agency (FEMA) or otherwise recognized by a Federal agency with authority or jurisdiction over Federal response to the emergency or disaster.

Wagner-Peyser – Wagner-Peyser programs are designed to improve the functioning of the nation's labor markets by bringing together individuals who are seeking employment with employers who are seeking workers.

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 16 – DESCRIPTION OF PROGRAM SERVICES (continued)**

Reemployment Services and Eligibility Assessments – The Worker Profiling and Reemployment Services (WPRS) system, mandated by Public Law 103-152 of the Unemployment Compensation Amendments of 1993, is designed to identify and rank or score unemployment insurance claimants by their potential for exhausting their benefits for referral to appropriate reemployment and training services.

Trade Adjustment Assistance (TAA) – The TAA program provides adjustment assistance to qualified workers adversely affected by foreign trade.

Disabled Veterans Outreach Program (DVOP) – DVOP grants are used to develop jobs and job training opportunities for disabled and other veterans and to provide outreach to veterans through community agencies and organizations.

Local Veterans Employment Representative (LVER) – The LVER program provides job development, placement and support services directly to veterans.

Supplemental Nutrition Assistance Program (SNAP) – Florida's Supplemental Nutrition Assistance Program is designed to provide voluntary training, education, support services and skills to food stamp recipients.

Temporary Assistance for Needy Families (TANF) – TANF programs are designed to emphasize work, self-sufficiency, and personal responsibility for welfare recipients and to enable them to move from welfare to work.

Back to Work – The Back to Work Program is designed to coordinate, develop and maintain programs that promote the retention and expansion of targeted businesses in Pasco County. The program is also designed to develop a proactive workforce development program working with education and workforce development resources to provide training for primary targeted industries and develop relationships to better serve students for careers relating to these industries.

The following is a schedule of expenditures for the various employment programs for the fiscal year ended June 30, 2023:

WIOA Cluster	\$ 3,842,290
Welfare Transition/TANF	3,226,430
Wagner-Peyser	755,387
Back to Work	629,261
Reemployment Services and Eligibility Assessments	408,739
Veterans' Programs	207,306
Supplemental Nutrition and Assistance Program	147,209
National Emergency	43,677
Trade Adjustment Assistance	1,644
	<hr/>
	\$ 9,261,943

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**NOTE 17 – FAIR VALUE MEASUREMENTS**

At June 30, 2023, the Organization had no assets or liabilities subject to disclosure of fair value measurements as to valuation levels hierarchy per FASB Statement No. 157.

**NOTE 18 – RISK MANAGEMENT**

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

- Workers' Compensation and Employers' Liability
- General and Professional Liability
- Personal Property Damage
- Directors' and Officers' Liability

## **SUPPLEMENTAL INFORMATION**

**PASCO-HERNANDO WORKFORCE BOARD, INC.**  
**D/B/A CAREERSOURCE PASCO HERNANDO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2023**

Grantor/Pass-through Agency Program Title	Contract Number	CFDA / CSFA Number	Expenditures
<b>FEDERAL AWARDS</b>			
U.S. DEPARTMENT OF AGRICULTURE			
Supplemental Nutrition Assistance Program	FSH22	10.561	\$ 13,074
Supplemental Nutrition Assistance Program	FSH23	10.561	134,135
TOTAL U.S. DEPARTMENT OF AGRICULTURE			147,209
U.S. DEPARTMENT OF LABOR			
Passed through the Florida Department of Economic Opportunity:			
<b>Workforce Innovation and Opportunity Act (WIOA) Cluster</b>			
WIOA - Adult	WIA22	17.258	816,042
WIOA - Adult	WIA23	17.258	700,651
WIOA - Youth	WIY22	17.259	421,760
WIOA - Youth	WIY23	17.259	618,948
WIOA - Dislocated Worker	WID22	17.278	1,054,332
WIOA - Dislocated Worker	WID23	17.278	35,129
WIOA - State Level Hurricane Ian Rapid Response	WIR21	17.278	62,915
WIOA - State Level Rapid Response	WIR22	17.278	132,513
Total WIOA Cluster			3,842,290
<b>National Emergency</b>			
National Emergency - Fostering Opioid Recovery	WNO20	17.277	43,677
<b>Employment Services Cluster</b>			
Wagner Peyser	WPA22	17.207	306,378
Wagner Peyser	WPA23	17.207	433,656
Wagner Peyser - Apprenticeship Navigator	WPB23	17.207	15,353
Veterans Program - Disabled Veterans	DVP22	17.801	79,850
Veterans Program - Disabled Veterans	DVP23	17.801	50,694
Veterans Program - Local Veterans	LVR22	17.801	31,477
Veterans Program - Local Veterans	LVR23	17.801	45,285
Total Employment Services Cluster			962,693
<b>Unemployment Compensation</b>			
Reemployment Services and Eligibility Assessments	UCR21	17.225	230,703
Reemployment Services and Eligibility Assessments	UCR22	17.225	178,036
Total Unemployment Compensation			408,739
<b>Trade Adjustment Assistance</b>			
Trade Adjustment Assistance Case Management	TAC20	17.245	355
Trade Adjustment Assistance Training	TAC21	17.245	1,141
Trade Adjustment Assistance Training	TAT20	17.245	148
Total Trade Adjustment Assistance			1,644
TOTAL U.S. DEPARTMENT OF LABOR			5,259,043

See independent auditor's report.



**PASCO-HERNANDO WORKFORCE BOARD, INC.**  
**D/B/A CAREERSOURCE PASCO HERNANDO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (continued)**  
**YEAR ENDED JUNE 30, 2023**

Grantor/Pass-through Agency Program Title	Contract Number	CFDA / CSFA Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Florida Department of Economic Opportunity:			
Welfare Transition Program - October - June	WTS22	93.558	316,813
Welfare Transition Program - July - September	WTS22	93.558	510,378
Welfare Transition Program NCP - July - September	WTS22	93.558	290,189
Welfare Transition Program - October - June	WTS23	93.558	1,185,154
Welfare Transition Program NCP - October - June	WTS23	93.558	<u>923,896</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>3,226,430</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 8,632,682</u></u>
<b>STATE FINANCIAL ASSISTANCE</b>			
FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY			
2021 Supplemental SNAP	FWFLP	40.037	\$ 20,450
2022 Supplemental Non-Custodial Parent	FWFLP	40.037	<u>500,000</u>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<u><u>\$ 520,450</u></u>
<b>TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE</b>			<u><u>\$ 9,153,132</u></u>

See independent auditor's report.

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE**

**JUNE 30, 2023**

**NOTE 1 – SCOPE OF AUDIT PURSUANT TO THE OMB COMPLIANCE SUPPLEMENT**

**Federal Awards Programs**

All Federal grant operations of Pasco-Hernando Workforce Board, Inc. (the "Organization") are included in the scope of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement in Appendix XI of the Uniform Guidance (revised May 2023, the "Compliance Supplement"). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted in the Schedule of Findings and Questioned Costs – Federal Programs. These programs represent Federal award Type A and Type B programs for fiscal year 2023 with cash and noncash expenditures that ensure coverage of at least 20 percent of federally granted funds.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes all federal and state grants to the Organization that had activity during the fiscal year ended June 30, 2023. The basis of accounting is described in Note 2 to the Organization's financial statements.

**NOTE 3 – SUBRECIPIENTS**

The Organization provided federal awards and state financial assistance to subrecipients as follows during the fiscal year ended June 30, 2023:

Program Title	CFDA / CSFA	
	Number	Amount
Welfare Transition/TANF	93.558	\$ 1,695,497
WIOA - Youth	17.259	880,856
WIOA - Dislocated Worker	17.278	200,000
Total		<u>\$ 2,776,353</u>

**NOTE 4 – INDIRECT COST RATE**

The Organization did not elect to use the 10% de minimis indirect cost rate.



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

To the Board of Directors of  
Pasco-Hernando Workforce Board, Inc.  
d/b/a CareerSource Pasco Hernando

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 Pasco-Hernando Workforce Board, Inc. d/b/a CareerSource Pasco Hernando (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 7, 2023.

**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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
December 7, 2023



***Partners***

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

To the Board of Directors of  
Pasco-Hernando Workforce Board, Inc.  
d/b/a CareerSource Pasco Hernando

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Pasco-Hernando Workforce Board, Inc. d/b/a CareerSource Pasco Hernando (the "Organization") compliance with the types of compliance requirements identified as subject to the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the fiscal year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's 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,

### ***Responsibilities of Management for Compliance (continued)***

regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

### ***Auditor's 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 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

### **Report on Internal Control Over Compliance (continued)**

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 Auditor's 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 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.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
December 7, 2023

**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS**

**JUNE 30, 2023**

**Part I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Type of auditor’s report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes
Identifications of major federal programs:	

<u>Name of Federal Program</u>	<u>CFDA</u>
Welfare Transition Program	93.558
Reemployment Services and Eligibility Assessments	17.225



**PASCO-HERNANDO WORKFORCE BOARD, INC.  
D/B/A CAREERSOURCE PASCO HERNANDO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS**

**JUNE 30, 2023**

**Part II – Financial Statement Findings**

None (no corrective action plan issued)

**Part III – Federal Award Findings and Questioned Costs**

None (there are no items related to federal awards required to be reported in the management letter)

**Part IV – Status of Prior Year Audit Findings**

There were no prior year audit findings.



### ***Partners***

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### **MANAGEMENT LETTER**

To the Board of Directors, Florida  
Pasco-Hernando Workforce Board, Inc.  
d/b/a CareerSource Pasco Hernando

#### **Report on the Financial Statements**

We have audited the financial statements of Pasco-Hernando Workforce Board, Inc. d/b/a CareerSource Pasco Hernando (the "Organization") as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated December 7, 2023.

#### **Auditor's Responsibility**

We conducted our audit 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; 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) and the Florida Department of Economic Opportunity's (DEO) Audit and Audit Resolution Responsibilities (AWI FG 05-019) issued August 12, 2005.

#### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 7, 2023, should be considered in conjunction with this management letter.

#### **Prior Year Findings:**

There were no reportable findings in the prior year.

#### **Current Year Findings:**

There were no reportable findings in the current year.

#### **Conclusion**

We have reviewed information regarding our audit with management and have provided them with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the Organization. We appreciate the overall quality of the financial records and personnel in the Organization's office. We appreciate the helpful assistance and courtesy afforded us by these employees.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
December 7, 2023