



Special-Called Executive/Finance Committee Meeting

September 25, 2024
2:00 pm

Mission Career Center
4981 Ayers Street
Mission Training Room
Corpus Christi, TX

Join Zoom Meeting

<https://us02web.zoom.us/j/87612979996?pwd=RQGhZ8Ycbc19taXd9cE3GbYTjpNFtb.1>

Toll-Free Call In

888 475 4499 US Toll-free

Meeting ID: 876 1297 9996

Passcode: 989791

www.workforcesolutionscb.org

Strategic Goals

- Establish and Strengthen Partnerships
- Effectively/Efficiently Target Rural Area Services
- Increase Workforce Awareness
- Expand Innovative Services to Business
- Explore New Revenue Opportunities
- Improve Internal Efficiencies
- Refine Board Culture

Mission Statement

At Workforce Solutions of the Coastal Bend, we invest in our regional economic success through access to jobs, training, and employer services.

Value Statement

Accountability – We address our customers and co-workers in a positive manner that elevates their spirit and creates a professional, supportive workplace for staff, job seekers, and employers.

Teamwork – We combine our individual talents for the benefit of the mission and common goals leveraging our unique abilities and contributions.

Trust – We consistently deliver on our commitments to our customers and co-workers to establish strong, sustainable relationships.

Integrity – We are honest, supportive, candid in addressing difficult issues, and willing to share success to demonstrate respect and consideration for our customers and co-workers.

Tenacity – We resist giving up when the going gets tough and support our customers and co-workers in seeing that issues are resolved and the job gets done.

Understanding – We are serious and passionate about delivering our services with compassion and empathy.

Dignity – We interact with customers and co-workers professionally regardless of their backgrounds, experience, and circumstances to reflect our commitment as public servants.

Enthusiasm – We recognize the importance and value of our work and know that every day we have the opportunity to help build the economic success of our regional economy.

Disclosure and Declaration of a Conflict of Interest

Conflicts of Interest and the appearance of Conflicts of Interest shall be reported according to Board Administrative Policies #1.0.101.00 - Standards of Conduct and Conflict of Interest; and #1.0.105.00 - Reporting Conflict of Interest, Fraud, and Abuse, which were adopted by the Board of Directors on April 26, 2007.

Conflict of Interest – A circumstance in which a Board Member, Board employee, Contracted Provider, or Contracted Provider's employee is in a decision-making position and has a direct or indirect interest, particularly a financial interest, that influences the individual's ability to perform job duties and fulfill responsibilities.

Appearance of a Conflict of Interest – A circumstance in which a Board Member, Board employee, Contracted Provider, or Contracted Provider's employee's action appears to be:

- influenced by considerations of one or more of the following: gain to the person, entity, or organization for which the person has an employment interest, substantial financial interest, or other interest, whether direct or indirect (other than those consistent with the terms of the contract), or;
- motivated by design to gain improper influence over the Commission, the Agency, the Board, or the Board's Chief Elected Officials.

Code of Ethics

The Workforce Solutions Code of Ethics is a guide for dealing with ethical matters in the workplace and in our relationship with our clients and members of the community.

- We believe in respect for the individual.
- We believe all persons are entitled to be treated with respect, compassion and dignity.
- We believe in openness and honesty in dealing with the general public, the people we serve, and our peers.
- We believe in striving for excellence.
- We believe in conducting ourselves in a way that will avoid even the appearance of favoritism, undue influence or impropriety, so as to preserve public confidence in our efforts.



Special-Called Executive/Finance Committee Meeting

Mission Career Center – 4981 Ayers Street – Mission Training Room
Corpus Christi, Texas

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Wednesday, September 25, 2024 – 2:00 pm

AGENDA

- I. **Call to Order:** *Raynaldo De Los Santos, Jr., Chair*
- II. **TOMA Rules:** *Janet Neely*
- III. **Roll Call:** *Jesse Gatewood, Secretary*.....3
- IV. **Announcement on Disclosure of Conflicts of Interest**
Any Conflicts of Interest or Appearance of a Conflict of Interest with items on this agenda shall be declared at this time. Members with conflicts will refrain from voting and are asked to refrain from discussion on such items. Conflicts discovered later in the meeting shall be disclosed at that time. Note: Information on open meetings is included at the end of this agenda.
- V. **Public Comments**
- VI. **Discussion and Possible Action to Approve the External Audit for FY 2023-22:**
ABIP, PC; Janet Pitman, CPA.....4-42
- VII. **Adjournment**

(cont. page 2)

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Auxiliary aids and services are available upon request to individuals with disabilities.

Deaf, hard-of-hearing or speech impaired customers may contact

Relay Texas: 1.800.735.2989 (TDD) and 1.800.735.2988 or 7-1-1 (voice)

Notice: *The Chair of the Executive Finance Committee will be at 4981 Ayers Street, Corpus Christi, Texas where the Chair will preside over the Meeting.*

Notice: *One or more members of the Executive Finance Committee and the Board of Directors may attend via video conference.*

Note: Except for expressly authorized closed sessions, meetings, discussions, and deliberations of the Board or Committees will be open to the public. Voting in all cases will be open to the public. Board members are advised that using personal communication devices to discuss Committee and Board business during the meeting may be a violation of the Texas Open Meetings Act. Such communications also may be subject to the Texas Public Information Act.

Closed Session Notice. PUBLIC NOTICE is given that the Board may elect to go into executive session at any time during the meeting in order to discuss matters listed on the agenda, when authorized by the provisions of the Open Meetings Act, Chapter 551 of the Texas Government Code. In the event the Board elects to go into executive session regarding an agenda item, the section or sections of the Open Meetings Act authorizing the executive session will be publicly announced by the presiding officer.

Texas Open Meetings Act (TOMA). All public meetings are required to follow all parts of the Texas Open Meetings Act. Therefore, we will be holding this meeting both in-person at our **Mission Career Center, Mission Training Room** and on **ZOOM**. With this format, comes some changes to what is required of board members and the public.

- The presiding member (Chair or designee) must be in-person at the meeting location, 4981 Ayers Street, Corpus Christi, Texas.
- Board members must be visible on camera in order to count toward the quorum and in order to vote.
- The public and all presenters will need to be visible while presenting information.

This hybrid meeting format will allow us to meet TOMA rules, while still ensuring the safety of those who must attend.

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Executive/Finance Committee Meeting
Roll Call Roster
September 25, 2024
(6 = Quorum)

_____ Raynaldo De Los Santos, Jr., Chair

_____ Sandra Bowen, Vice Chair

_____ Jesse Gatewood, Secretary

_____ John Owen, Treasurer

_____ Victor M. Gonzalez, Jr., Parliamentarian

_____ Gloria Perez, Past Chair

_____ Marcia Keener, Chair of Child Care Services Committee

_____ Liza Wisner, Chair of Ad Hoc Youth Committee

_____ Manny Salazar, Chair of Workforce Services Committee

_____ C. Michelle Unda, Chair of Public Relations Committee

Signed

Printed Name

ITEM FOR DISCUSSION AND POSSIBLE ACTION

VI. External Audit for FY 2023-22

BACKGROUND INFORMATION

Board Professionals will present the Independent Audit for Fiscal Year End September 30, 2023 and 2022.

RECOMMENDATION

The Executive/Finance Committee recommend to the Board of Directors approval of the Audit Report for Year Ended September 30, 2023 and 2022.

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

ANNUAL FINANCIAL AND COMPLIANCE REPORTS

SEPTEMBER 30, 2023 AND 2022

abip

CPAs | ADVISORS

CLIENT **FOCUSED.** RELATIONSHIP **DRIVEN.**



COASTAL BEND WORKFORCE DEVELOPMENT BOARD

TABLE OF CONTENTS

September 30, 2023 and 2022

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL SECTION	
Statements of Financial Position	7
Statements of Activities and Change in Net Assets	8-9
Statements of Functional Expenses	10-11
Statements of Cash Flows	12
Notes to Financial Statements	13-19
SINGLE AUDIT SECTION	
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 <i>Government Auditing Standards</i>	23-24
Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of Texas Single Audit Circular	25-27
Schedule of Expenditures of Federal and State Awards	29-30
Notes to Schedule of Expenditures of Federal and State Awards	31
Schedule of Findings and Questioned Costs	32-33
Summary Schedule of Prior Year Findings	34



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Coastal Bend Workforce Development Board
Corpus Christi, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Coastal Bend Workforce Development Board (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities and change in net assets, functional expenses, and cash flows for the 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 Coastal Bend Workforce Development Board, as of September 30, 2023 and 2022, 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Coastal Bend Workforce Development Board 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 Coastal Bend Workforce Development Board'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 Coastal Bend Workforce Development Board'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 Coastal Bend Workforce Development Board'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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State of Texas Single Audit Circular*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards 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 June 21, 2024, on our consideration of Coastal Bend Workforce Development Board'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 Coastal Bend Workforce Development Board'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 Coastal Bend Workforce Development Board's internal control over financial reporting and compliance.

ABIP, PC

San Antonio, Texas

June 21, 2024



FINANCIAL SECTION



COASTAL BEND WORKFORCE DEVELOPMENT BOARD

STATEMENTS OF FINANCIAL POSITION

For the year ended September 30, 2023 and 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ 884,804	\$ 920,929
Grants receivable	3,241,213	3,280,927
Account receivable - subcontractor	9,368	-
Account receivable - other	11,847	14,303
Other assets	<u>241,685</u>	<u>172,305</u>
Total current assets	<u>4,388,917</u>	<u>4,388,464</u>
PROPERTY AND EQUIPMENT		
Property and equipment	7,106,823	4,299,972
Less accumulated depreciation	<u>(3,028,351)</u>	<u>(2,473,143)</u>
Net property and equipment	<u>4,078,472</u>	<u>1,826,829</u>
Total assets	<u>\$ 8,467,389</u>	<u>\$ 6,215,293</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 2,491,045	\$ 2,639,095
Accrued expenses	313,498	249,854
Deferred revenue	899,604	764,280
Accrued vacation	70,736	92,569
Lease liability	<u>579,247</u>	<u>424,270</u>
Total current liabilities	<u>4,354,130</u>	<u>4,170,068</u>
NONCURRENT LIABILITIES		
Lease liability	<u>3,046,091</u>	<u>965,197</u>
Total liabilities	<u>7,400,221</u>	<u>5,135,265</u>
NET ASSETS		
Without donor restrictions:		
Unrestricted	614,033	642,666
Investment in property and equipment, net	<u>453,135</u>	<u>437,362</u>
Total net assets	<u>1,067,168</u>	<u>1,080,028</u>
Total liabilities and net assets	<u>\$ 8,467,389</u>	<u>\$ 6,215,293</u>

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

COASTAL BEND WORKFORCE DEVELOPMENT BOARD
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

For the year ended September 30, 2023

	WITHOUT DONOR RESTRICTIONS		TOTAL
	UNRESTRICTED	INVESTMENT IN PROPERTY AND EQUIPMENT	
SUPPORT AND REVENUE			
Grant revenue - federal	\$ 39,247,476	\$ -	\$ 39,247,476
Grant revenue - state	1,726,146	-	1,726,146
Grant revenue - non federal	246,004	-	246,004
Interest income - non federal	6,959	-	6,959
Donations	122	-	122
Program income	<u>17,976</u>	<u>-</u>	<u>17,976</u>
Total support and revenue	<u>41,244,683</u>	<u>-</u>	<u>41,244,683</u>
EXPENSES			
Administration	1,692,537	(184,411)	1,508,126
Program services	<u>39,580,779</u>	<u>(412,317)</u>	<u>39,168,462</u>
Total expenses	<u>41,273,316</u>	<u>(596,728)</u>	<u>40,676,588</u>
Increase in net assets	(28,633)	596,728	568,095
OTHER REVENUES AND (EXPENSES)			
Fixed assets - additions	-	127,278	127,278
Depreciation expense	<u>-</u>	<u>(708,233)</u>	<u>(708,233)</u>
Change in net assets	(28,633)	15,773	(12,860)
NET ASSETS AT BEGINNING OF YEAR	<u>642,666</u>	<u>437,362</u>	<u>1,080,028</u>
NET ASSETS AT END OF YEAR	<u>\$ 614,033</u>	<u>\$ 453,135</u>	<u>\$ 1,067,168</u>

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

COASTAL BEND WORKFORCE DEVELOPMENT BOARD
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

For the year ended September 30, 2022

	WITHOUT DONOR RESTRICTIONS		TOTAL
	UNRESTRICTED	INVESTMENT IN PROPERTY AND EQUIPMENT	
SUPPORT AND REVENUE			
Grant revenue - federal	\$ 35,520,716	\$ -	\$ 35,520,716
Grant revenue - state	1,766,551	-	1,766,551
Grant revenue - non federal	713,651	-	713,651
Interest income - non federal	2,329	-	2,329
Program income	4,680	-	4,680
Total support and revenue	<u>38,007,927</u>	<u>-</u>	<u>38,007,927</u>
EXPENSES			
Administration	1,455,533	-	1,455,533
Program services	<u>36,482,685</u>	<u>-</u>	<u>36,482,685</u>
Total expenses	<u>37,938,218</u>	<u>-</u>	<u>37,938,218</u>
Increase in net assets	69,709	-	69,709
OTHER REVENUES AND (EXPENSES)			
Fixed assets - additions	-	223,097	223,097
Depreciation expense	<u>-</u>	<u>(156,158)</u>	<u>(156,158)</u>
Change in net assets	69,709	66,939	136,648
NET ASSETS AT BEGINNING OF YEAR	572,957	301,149	874,106
RESTATEMENT OF BEGINNING NET ASSETS	<u>-</u>	<u>69,274</u>	<u>69,274</u>
NET ASSETS AT BEGINNING OF YEAR, RESTATED	<u>572,957</u>	<u>370,423</u>	<u>943,380</u>
NET ASSETS AT END OF YEAR	<u>\$ 642,666</u>	<u>\$ 437,362</u>	<u>\$ 1,080,028</u>

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

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2023

	<u>ADMINISTRATION</u>	<u>PROGRAM SERVICES</u>	<u>TOTAL</u>
Direct care	\$ -	\$ 24,288,499	\$ 24,288,499
Communication expense	15,793	178,363	194,156
Furniture and equipment	-	127,021	127,021
Insurance	28,750	33,482	62,232
Outreach/public notices	4,206	17,235	21,441
Office expense	31,413	651,995	683,408
Professional fees	87,995	40,681	128,676
Program services	-	9,939,652	9,939,652
Rent and rent related	87,849	1,005,679	1,093,528
Salaries and fringe benefits	1,226,466	1,715,231	2,941,697
Subscription/membership	22,208	105,852	128,060
Software	4,550	6,771	11,321
Travel/staff development/conference fee	32,804	74,795	107,599
Building improvement	-	1,389,175	1,389,175
Discretionary	<u>150,503</u>	<u>6,348</u>	<u>156,851</u>
	<u>\$ 1,692,537</u>	<u>\$ 39,580,779</u>	<u>\$ 41,273,316</u>

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

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2022

	<u>ADMINISTRATION</u>	<u>PROGRAM SERVICES</u>	<u>TOTAL</u>
Direct care	\$ -	\$ 22,885,317	\$ 22,885,317
Communication expense	12,417	154,420	166,837
Insurance	25,626	33,951	59,577
Bank fees	1,366	-	1,366
Outreach/public notices	2,197	6,566	8,763
Office expense	32,172	503,944	536,116
Professional fees	90,713	73,549	164,262
Program services	-	8,386,433	8,386,433
Rent and rent related	85,124	831,007	916,131
Salaries and fringe benefits	1,090,899	1,762,741	2,853,640
Subscription/membership	18,457	89,627	108,084
Software	1,288	207,456	208,744
Travel/staff development/conference fee	43,793	138,470	182,263
Building improvement	1,311	1,409,204	1,410,515
Discretionary	50,170	-	50,170
	<u>\$ 1,455,533</u>	<u>\$ 36,482,685</u>	<u>\$ 37,938,218</u>

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

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

STATEMENTS OF CASH FLOWS

For the year ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (12,860)	\$ 136,648
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation expense	708,233	156,158
(Increase) decrease in operating assets		
Grants receivable	39,714	(323,559)
Accounts receivable	(6,912)	(4,959)
Other assets	(69,380)	41,105
Increase (decrease) in operating liabilities		
Accounts payable	(148,050)	937,344
Deferred revenue	135,324	(140,192)
Accrued expenses	63,644	(520,791)
Accrued vacation	<u>(21,833)</u>	<u>(2,166)</u>
Net cash provided by (used in) operating activities	<u>687,880</u>	<u>279,588</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(127,278)</u>	<u>(223,097)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of principle on right of use lease liability	<u>(596,727)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(36,125)	56,491
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>920,929</u>	<u>864,438</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 884,804</u>	<u>\$ 920,929</u>

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

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

(1) Organization and nature of activities

On July 1, 1997, the Private Industry Council (PIC) of Corpus Christi/Nueces County and the Rural Coastal Bend Services Delivery Areas merged to form the Coastal Bend Workforce Development Board (the Board) to comply with the Workforce and Economic Competitiveness Act Chapter 2308 of the Texas Government Code (the Act). The Board was incorporated under the Texas Non-Profit Corporation Act for the purpose of implementation and development of workforce related activities and programs in the eleven county Coastal Bend region. The Board, through the partnership and the interlocal agreements with the Coastal Bend Chief Elected Officials Council, is designated as the grant recipient and the administrative entity for the workforce development area. The Board receives funding from local, state and federal sources, and must comply with spending, reporting and record keeping requirements of these entities.

(2) Summary of significant accounting policies

Financial statement presentation

The Board classifies its financial statements to present two (2) classes of net assets:

- *Net assets without donor restrictions* include those net assets whose use is not restricted by donor-imposed stipulations. Restricted grant proceeds or contributions whose restrictions are met in the same reporting period are reported as revenue without donor restrictions.
- *Net assets with donor restrictions* include net assets subject to donor-imposed restrictions that may or will be satisfied by the actions of the Board or the passage of time. The Board had no net assets with donor restrictions at September 30, 2023 and 2022.

Basis of accounting

The financial statements of the Board have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the report of revenues and expenses.

Allowances for uncollectable

No allowance for uncollectable has been established. All receivables from the state and sub-recipients are deemed fully collectible.

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

(2) Summary of significant accounting policies (continued)

Cash and cash equivalents

For the purpose of the statement of cash flows, the Board considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. This includes cash in bank, certificates of deposit, and money market accounts.

Revenue/receivable concentrations

The Board receives substantially all of its revenue from grants through federal and state agencies. Grant revenue is recorded by the Board as it is earned with the offset to a receivable. The Board does not recognize an allowance for bad debt, as all receivables are deemed collectable.

Functional expense allocation

Costs incurred by the Board in providing management and oversight of various programs have been summarized on a functional basis. Accordingly, these costs are recognized among the programs either as administrative or program and are distributed to the various funding sources based upon an established cost allocation plan on a monthly basis. Unassignable administrative and program costs are allocated to each grant based upon each grant's proportional share of total Workforce Center's expenses.

Fixed assets

The Board capitalizes property and equipment with a unit cost of \$5,000 or more and a useful life greater than 1 year for depreciation and financial statement presentation. Asset purchases under \$5,000 are expensed. The Board tracks property with a unit cost of \$500 or more to comply with internal policy. The valuation of the fixed assets is cost, if purchased, or fair market value, if donated. The Texas Workforce Commission (TWC) has an interest in all property purchased with TWC funds.

Income taxes

Income taxes are not provided for in the financial statements since the Board is exempt from federal income taxes and filing IRS Form 990 under Section 501(c)(3) of the Internal Revenue Code. The Board is not classified as a private foundation.

Change in accounting principle – adoption of FASB ASC 842, *Leases*

Effective October 1, 2022, the Corporation adopted FASB ASC 842, *Leases*. The new standard establishes a right of use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months.

The Corporation elected to adopt FASB ASC 842, *Leases*, using the optional transition method that allows the Corporation to initially apply the new lease standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of net assets in the period of adoption.

The adoption of the new standard resulted in the recognition of ROU lease assets of \$1,808,575, accumulated amortization of \$349,834, lease liabilities of \$1,389,467, and a cumulative net effect adjustment to net assets of \$69,274 as of October 1, 2022.

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

(3) Deposits and collateral

At September 30, 2023 and 2022, the total bank balances were \$1,026,558 and \$892,618, respectively. Bank balances of \$250,000 are covered by federal depository insurance. At September 30, 2023 and 2022, all of the Board's bank balances were covered by federal depository insurance as well as collateralized securities held by the pledging institution.

(4) Grants receivable

	<u>2023</u>	<u>2022</u>
Due from Texas Workforce Commission		
Child Care	\$ 2,271,256	\$ 1,884,180
Choices/TANF	21,177	4,342
TEA	1,114	-
Wagner-Peyser Employment Services	895	-
Non-Custodial Parent Choices Program	16,987	8,657
Colocation	7,231	-
Military Family Support Pilot	8,214	9,057
Workforce Innovation and Opportunity Act Adult	183,757	56,827
Summer Earn and Learn Program	200,319	168,807
Workforce Innovation and Opportunity Act Dislocated	136,247	103,493
Workforce Investment Act and Opportunity Alternative Statewide	1,040	-
Workforce Innovation and Opportunity Act Youth	24,625	247,223
Workforce Innovation and Opportunity Act Rapid Response	330	36
Disabled Vets Outreach	-	8,291
Resource Administration Grant	-	2,476
SNAP E & T	113,773	600,929
Child Care Department of Family Protective Services	59,846	-
Child Care Quality Improvement Activity Grant	84,784	-
Workforce Commission Initiatives	29,780	25,583
Vocational Rehabilitation	10,034	51,287
Service Fund	-	13,883
Reemployment Services and Eligibility Assessment	26,486	66,395
VRS Student Hireability Navigator	34,185	5,309
COVID-19 Disaster Recovery	-	23,253
Apprenticeship USA Grant	-	899
Middle Skills Employment Supplies Pilot Project	4,314	-
Upskill	<u>4,819</u>	<u>-</u>
 Total due from Texas Workforce Commission	 <u>\$ 3,241,213</u>	 <u>\$ 3,280,927</u>

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

(5) Deferred revenue

	<u>2023</u>	<u>2022</u>
Deferred revenue		
Upskill	\$ -	\$ 12,694
Wagner-Peyser Employment Services	-	8,255
Child Care Protective Services	15,053	37,566
Summer Earn and Learn	106,019	-
Workforce Innovation and Opportunity Act Adult	66,848	105,787
Workforce Innovation and Opportunity Act Dislocated	-	13,483
Workforce Innovation and Opportunity Youth	172,449	-
Student Hireability	35,067	13,390
Cheniere Kiosk	30,000	-
Port of Corpus Christi	1,607	-
TIP Kingsville Chamber	150,000	-
SNAP E & T	95,247	403,866
Perkins	20,872	5,114
Vocational Rehabilitation	20,084	2,507
Walmart Foundation	<u>186,358</u>	<u>161,618</u>
 Total deferred revenue	 <u>\$ 899,604</u>	 <u>\$ 764,280</u>

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

(6) Fixed assets

	BALANCE <u>10/1/2022</u>	ADDITIONS	DELETIONS	BALANCE <u>9/30/2023</u>
Fixed assets:				
Equipment	\$ 582,856	\$ 127,278	\$ (109,111)	\$ 601,023
Software	21,915	-	(21,915)	-
Building improvements	1,663,529	223,097	(22,000)	1,864,626
Right to use	1,808,575	2,832,599	-	4,641,174
Construction in progress	<u>223,097</u>	-	<u>(223,097)</u>	-
Total fixed assets	<u>4,299,972</u>	<u>3,182,974</u>	<u>(376,123)</u>	<u>7,106,823</u>
Accumulated depreciation:				
Equipment	(501,996)	(94,829)	109,111	(487,714)
Software	(21,915)	-	21,915	-
Building improvements	(1,599,398)	(62,047)	22,000	(1,639,445)
Right to use	<u>(349,834)</u>	<u>(551,358)</u>	-	<u>(901,192)</u>
Total accumulated depreciation	<u>(2,473,143)</u>	<u>(708,234)</u>	<u>153,026</u>	<u>(3,028,351)</u>
Fixed assets - net	<u>\$ 1,826,829</u>	<u>\$ 2,474,740</u>	<u>\$ (223,097)</u>	<u>\$ 4,078,472</u>

(7) Compensated absences

The Board employees are granted vacation pay in varying amounts based on length of service. Accrued unused vacation is paid upon an employee's termination. Compensated absences are charged to the applicable program when taken. The earned amount as of September 30, 2023 and 2022, was \$70,736 and \$92,569, respectively.

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

(8) Leases

The Corporation leases office facilities and equipment under leases expiring in various years through 2032. The Corporation determined to use the 10-year treasury rate in effect at the inception of each lease as discount rates.

Minimum future rental payments under operating leases, which have remaining terms beyond September 30, 2023, are in the aggregate, as follows:

<u>YEAR ENDED SEPTEMBER 30,</u>	<u>AMOUNT</u>
2024	\$ 831,325
2025	663,892
2026	447,628
2027	375,449
2028	358,949
Thereafter	<u>1,520,871</u>
	<u>4,198,114</u>
Less interest:	<u>(572,776)</u>
Total	<u>\$ 3,625,338</u>

During the year ended September 30, 2023, the Organization incurred \$776,025 of lease expense which is included in the accompanying statement of functional expenses.

(9) Retirement plan

The Board provides employees the opportunity to participate in the Board's retirement plan. The plan is a 401(k) profit sharing plan. The Board's profit sharing plan and the provisions in this policy are subject to the rules and regulations of the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Service. The vesting period for participating employees for contributions made before October 1, 2013 is as follows:

<u>Years of Service</u>	<u>Vesting Percentage</u>
1	20%
2	40%
3	60%
4	80%
5 or more	100%

Benefits under the plan are based on the employee's vested interest in the value of his/her account at the time their benefits become payable as a result of his/her retirement or other separation from service or other distribution event. That value will depend on the contributions credited to their account and on the investment performance of the nest fund established to hold and invest those contributions. On September 24, 2021 the Board changed the vesting period to 100% vested on day one of the employee's employment date and all active employees were 100% vested as of that date.

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

(9) Retirement plan (continued)

Effective October 1, 2013 employees can make plan contributions up to the maximum allowed by the plan, not to exceed the IRS limits, and they can choose to make contributions before paying taxes and/or after-tax contributions through the plan's Roth 401(k) option. Employees may increase or decrease their contributions to the plan each payroll period. Employees are automatically 100% vested in their contributions and roll over contributions.

Coastal Bend Workforce Development Board will make a safe harbor matching contribution equal to 100% of the first 5% of eligible pay that the employee contributes.

More specific information on the retirement plan can be found in the summary plan description of the plan.

Existing and new employees, who have previously worked with any workforce organization (Board, One-Stop contractors, or TWC) within the State of Texas, shall be allowed to carry over their years of service earned at that organization to the Board's retirement plan. Contributions paid during the fiscal period were \$68,987 and \$64,350 for years ended 2023 and 2022, respectively.

(10) Economic dependence

Coastal Bend Workforce Development Board receives a significant portion of its revenue from pass-through funds of federal and state grants. The Board operated during the fiscal year under one major source of funds, the Texas Workforce Commission. The grant amounts are appropriated each year at the federal and state level. If significant budget cuts are made at the federal and state level, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations.

(11) Contingencies

Individual grants are subject to additional financial and compliance audits by the grantors or their representatives. Such audits could result in requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. The Board's management is of the opinion that disallowance, if any, will not have a material effect on the financial statements.

(12) Subsequent events

Management has evaluated subsequent events through June 21, 2024, the date the financial statements were available to be issued. No significant subsequent events occurred.



SINGLE AUDIT SECTION



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
Coastal Bend Workforce Development Board
Corpus Christi, Texas

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 Coastal Bend Workforce Development Board (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coastal Bend Workforce Development Board'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 Coastal Bend Workforce Development Board'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.

ABIP, PC

San Antonio, Texas
June 21, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

To the Board of Directors
Coastal Bend Workforce Development Board
Corpus Christi, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Coastal Bend Workforce Development Board (a non-profit organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of Coastal Bend Workforce Development Board's major federal and state programs for the year ended September 30, 2023. Coastal Bend Workforce Development Board's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Coastal Bend Workforce Development Board 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 and state programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal and State 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, 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 *State of Texas Single Audit Circular*. Our responsibilities under those standards, the Uniform Guidance and the *State of Texas Single Audit Circular*, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Coastal Bend Workforce Development Board 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 and state program. Our audit does not provide a legal determination of Coastal Bend Workforce Development Board'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 Coastal Bend Workforce Development Boards' federal and state 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 Coastal Bend Workforce Development Board'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*, the Uniform Guidance, and the *State of Texas Single Audit Circular*, 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 Coastal Bend Workforce Development Board's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Texas Single Audit Circular*, 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 Coastal Bend Workforce Development Board'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 Coastal Bend Workforce Development Board'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 and the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of Coastal Bend Workforce Development Board'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 or state 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 or state 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 or state 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 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 and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

ABIP, PC

San Antonio, Texas

June 21, 2024



COASTAL BEND WORKFORCE DEVELOPMENT BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year ended September 30, 2023

GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ALN NUMBER	PASS-THROUGH GRANTOR'S NUMBER	AWARD AMOUNT	CURRENT FISCAL YEAR EXPENDITURES	PASS-THROUGH TO SUBRECIPIENTS
<u>FEDERAL FUNDS</u>					
<u>U.S. Department of Labor</u>					
Passed Through Texas Workforce Commission and Texas Veteran's Commission:					
Employment Service Cluster					
Wagner-Peyser Employment Services	17.207	2223WPA001	\$ 100,104	\$ 36,459	\$ 30,406
Wagner-Peyser Employment Services	17.207	2222WPA001	93,719	45,897	45,303
Workforce Commission Initiatives	17.207	2223WCI001	20,224	20,224	20,224
Reemployment Services and Eligibility Assessment	17.225	2223REA001	476,411	406,411	361,854
Resource Administration Grant	17.207	2223RAG001	5,192	5,192	5,192
Veterans Employment Services	17.801	2223TVC001	37,412	37,412	35,663
Total Employment Service Cluster			<u>733,062</u>	<u>551,595</u>	<u>498,642</u>
WIOA Cluster					
Workforce Innovation and Opportunity Act - Adult	17.258	2223WOA001	2,255,134	497,050	341,267
Workforce Innovation and Opportunity Act - Adult	17.258	2222WOA001	1,617,444	1,288,674	870,834
Workforce Innovation and Opportunity Act - Adult	17.258	2221WOA001	1,514,463	91,313	91,313
Middle Skills Employment Supplies Pilot Project (WOS)	17.258	2223WOS002	61,749	7,050	6,800
Military Family Support Pilot	17.258	2223WOS001	55,240	41,214	36,489
Military Family Support Pilot	17.258	2222WOS001	54,600	4,870	4,374
Workforce Innovation and Opportunity Act- Youth	17.259	2221WOY001	1,584,376	163,189	163,189
Workforce Innovation and Opportunity Act- Youth	17.259	2222WOY001	1,695,253	1,287,329	914,292
Workforce Innovation and Opportunity Act- Youth	17.259	2223WOY001	2,443,262	249,137	146,408
COVID-19 Disaster Recovery	17.277	2220NDW001	1,524,465	150,014	90,520
WIOA - Externships for Teachers Statewide	17.258	2223EXT001	180,000	175,204	175,204
WIOA - Externships for Teachers DW Statewide	17.278	2222EXT001	146,830	605	605
WIOA - Additional Assistance for Adult & DW Services	17.278	2223WOZ001	230,000	230,000	230,000
Workforce Innovation and Opportunity Act- Dislocated	17.278	2223WOD001	1,571,984	377,436	256,035
Workforce Innovation and Opportunity Act- Dislocated	17.278	2222WOD001	1,708,397	1,718,917	697,295
Workforce Innovation and Opportunity Act- Dislocated	17.278	2221WOD001	1,314,043	159,667	80,643
Workforce Innovation and Opportunity Act- Rapid Response	17.278	2223WOR001	27,255	330	330
Workforce Innovation and Opportunity Act- Rapid Response	17.278	2222WOR001	29,662	260	240
Total WIOA Cluster			<u>18,014,157</u>	<u>6,442,259</u>	<u>4,105,838</u>
Resource Administration Grant	17.273	2223RAG001	485	485	485
Apprenticeship USA Grants	17.285	2222ATG001	100,000	35,661	32,142
Total U.S. Department of Labor			<u>18,847,704</u>	<u>7,030,000</u>	<u>4,637,107</u>
<u>U.S. Department of Agriculture</u>					
Passed Through Texas Workforce Commission:					
SNAP Cluster					
Supplemental Nutrition Assistance Program	10.561	2223SNE001	440,533	440,533	437,155
Total U.S. Department of Agriculture			<u>440,533</u>	<u>440,533</u>	<u>437,155</u>

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year ended September 30, 2023

GRANT OR/PASS-THROUGH GRANT OR PROGRAM TITLE	FEDERAL ALN NUMBER	PASS-THROUGH GRANTOR'S NUMBER	AWARD AMOUNT	CURRENT FISCAL YEAR EXPENDITURES	PASS-THROUGH TO SUBRECIPIENTS
<u>FEDERAL FUNDS (CONTINUED)</u>					
<u>U.S. Department of Health and Human Services</u>					
Passed Through Texas Workforce Commission:					
CCDF Cluster					
Child Care Services Formula Grant	93.596	2223CCF001	\$ 5,795,911	\$ 5,795,911	\$ 5,795,911
Child Care Services Formula Grant	93.575	2222CCX001	2,472,683	534,749	427,257
Child Care Services Formula Grant	93.575	2223CCF001	20,037,441	18,373,827	17,684,030
Child Care Services Formula Grant	93.575	2222CCF001	19,383,036	2,673,563	2,542,554
Childcare Quality Improvement Activity Grant	93.575	2223CCQ001	1,482,763	1,050,279	1,050,279
Childcare Quality Improvement Activity Grant	93.575	2222CCQ001	765,396	261,695	261,695
Childcare Quality Improvement Activity Grant	93.575 COVID	2222CCQ001	653,120	363,261	363,261
Total CCDF Cluster			50,590,350	29,053,285	28,124,987
TANF Cluster					
Non-Custodial Parent Choices Program	93.558	2223NCP001	87,632	87,632	58,208
Temporary Assistance to Needy Families	93.558	2223TAF001	2,052,699	2,052,699	1,513,522
Temporary Assistance to Needy Families	93.558	2223TAN003	100,000	29,511	28,767
Temporary Assistance to Needy Families	93.558	2222TAN002	100,000	82,630	65,228
Workforce Commission Initiatives	93.558	2223WCI001	36,067	35,946	36,067
Workforce Commission Initiatives	93.558	2222WCI002	168,333	3,260	3,260
Total TANF Cluster			2,544,731	2,291,678	1,705,052
Social Services Block Grant					
Child Care Services Formula Grant	93.667	2223CCF001	45,473	45,473	45,473
Total Social Services Block Grant			45,473	45,473	45,473
Total U.S. Department of Health and Human Services					
			53,180,554	31,390,436	29,875,512
Total Federal Awards					
			72,468,791	38,860,969	34,949,774
<u>STATE FUNDS</u>					
<u>Texas Workforce Commission</u>					
Temporary Assistance to Needy Families		2223TAF001	276,062	276,062	206,389
Non-Custodial Parent Choices Program		2224NCP001	54,771	4,634	4,634
Non-Custodial Parent Choices Program		2223NCP001	54,771	43,162	35,676
Resource Administration Grant		2222RAG001	1,246	1,246	-
Supplemental Nutrition Assistance Program		2223SNE001	133,625	133,625	113,773
Child Care Department of Family Protective Services		2223CCP001	880,000	578,567	572,284
Child Care Department of Family Protective Services		2222CCP001	1,032,900	(1,822)	(1,822)
Child Care Department of Family Protective Services		2224CCP001	523,146	59,846	59,846
Child Care Services Formula Grant		2223CCF001	630,826	630,826	630,826
Total State Awards			3,587,347	1,726,146	1,621,606
TOTAL FEDERAL AND STATE AWARDS			\$ 76,056,138	\$ 40,587,115	\$ 36,571,380

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

September 30, 2023

(1) Basis of presentation

The schedule of expenditures of federal and state awards presents expenditures for all federal and state assistance awards that were in effect for the year ended September 30, 2023 for Coastal Bend Workforce Development Board. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance and State of Texas Single Audit Circular.

(2) Summary of significant accounting policies

Expenditures are reported on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as further described in the notes to financial statements.

Coastal Bend Workforce Development Board elected not to use the 10 percent de minimus indirect cost rate.

(3) Relationship to financial statements

Total expenses:

Per statement of activities and change in net assets	\$ 41,273,316
Per schedule of federal awards	<u>38,860,969</u>
	<u>\$ 2,412,347</u>

Non federal and state expenses:

State	\$ 1,726,146
Non-federal	<u>686,201</u>
	<u>\$ 2,412,347</u>

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 2023

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes X None reported

Noncompliance material to the financial statements noted? Yes X No

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? Yes X No

Identification of major programs:

Federal:

<u>ALN NUMBER(S)</u>	<u>NAME OF FEDERAL/STATE PROGRAM OR CLUSTER</u>
93.575/93.596	Child Care Development Fund Cluster

State:

N/A Child Care Development Funds

Dollar threshold used to distinguish between Type A and Type B programs:

- Federal - \$1,165,829
- State - \$ 750,000

Auditee qualified as low-risk auditee? X Yes No

(continued)

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 2023

SECTION II: FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III: FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

COASTAL BEND WORKFORCE DEVELOPMENT BOARD

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

For the year ended September 30, 2023

<u>FINDINGS/RECOMMENDATION</u>	<u>CURRENT STATUS</u>	<u>MANAGEMENT'S EXPLANATION IF NOT IMPLEMENTED</u>
None	-	No prior year findings

WFSCB Glossary of Terms

Program Title	Acronym	Program Description
Able-bodied Adult Without Dependents	ABAWD	An individual 18 yrs.+, but under the age of 50, without dependents. SNAP-ABAWD recipients are referred by the Texas Health and Human Services Commission (HHSC).
Board Contract Year	BCY	Board Contract Year (runs from Oct. 1 - Sept. 30)
Career & Education Outreach Program	CEOP	Provides career information to students at public middle and high schools, grades six through twelve, to direct students towards high-growth/high-demand occupations. Students receive in-depth information and directions on career choices as well as access to workforce resources.
Dislocated Worker	DW	An individual who has been terminated or laid off from employment is not eligible for unemployment benefits due to insufficient earnings and is unlikely to return to a previous industry or occupation.
Department of Labor	DOL	United States Department of Labor
Educator Externship	EDEX	Informs teachers of the skill sets needed for in-demand jobs, and allows the teachers to inform and guide students toward employment in industries that match their skill sets.
Employment Services (Wagner-Peyser)	ES	Services for employers and job seekers to ensure employers have access to qualified workers. Provides job matching and recruitment services to employers and job seekers.
Eligible Training Provider	ETP	Training providers certified by the Texas Workforce Commission to provide WIOA-funded training programs.
Eligible Training Program List	ETPL	A comprehensive list of training programs approved for WIOA-funded training using Individual Training Accounts.
Fiscal Year	FY	The fiscal year is the accounting period of the federal government. It begins on October 1 and ends on September 30 of the next calendar year.
Individual Training Accounts	ITA	An account established for eligible WIOA customers for training in an array of state-approved training programs. ITAs may be used only for programs included on the statewide ETPL.
Local Workforce Development Board	LWDB	Local workforce development board established in accordance with WIA Section 117, for the purpose of policy planning for a local area and has the responsibility to ensure that the workforce needs of employers and job seekers in the geographic area governed by the local unit of government are met.
Monthly Performance Report	MPR	Performance accountability indicators used to assess the effectiveness of states and local workforce systems to achieve positive outcomes for individuals served by the six core workforce programs.
Migrant and Seasonal Farmworker Program	MSFW	A nationally directed program created by Congress in response to the chronic seasonal unemployment and underemployment experienced by migrant and seasonal farmworkers (MSFW). Provides funding to help migrant and seasonal farmworkers and their families achieve economic self-sufficiency.
National Dislocated Worker	NDW	A grant awarded to areas affected by major disaster or national catastrophe to assist in disaster relief employment and assist the substantial number of workers who were forced to relocate from an area in which a disaster has been declared.
On-the-Job Training	OJT	One-on-one training located at the job site for participants who already have some job-related skills. By participating in training as an employee, the participant acquires new skills and knowledge and receives the same wages and benefits as current employees in the same or similar position.
Program Year	PY	Program Year (for example, Program Year 2022: PY'22; –period varies for state and federal years)
Reemployment Services and Eligibility Assessment	RESEA	A federal grant program designed to allow states to provide intensive reemployment assistance to individuals who are receiving unemployment benefits and are determined likely to exhaust their benefits before becoming reemployed.
Rapid Response	RR	Provides immediate on-site assistance to workers who have job losses due to businesses closure or worker reduction. Designed to transition workers to their next employment as soon as possible.

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Summer Earn and Learn	SEAL	A summer program that offers basic work-based learning and training services for students with disabilities such as, pre-employment work readiness training and preparation for the work experience placement; work experience to help gain familiarity with the workplace environment and develop transferable job skills; and paid compensation for time worked on the job.
Student HireAbility Navigator	SHAN	Student HireAbility Navigator's role is to expand and improve access to employment and training services and to increase employment opportunities for students with disabilities by creating strong partnerships between vocational rehabilitation (VR) Workforce Solutions offices, independent school districts (ISDs), community organizations, employers.
Supplemental Nutrition Assistance Program Employment & Training	SNAP E&T	Designed to assist SNAP recipients in obtaining employment through participation in allowable job search, training, education, or workforce activities that promote long-term self-sufficiency. SNAP recipients are referred by the Texas Health and Human Services Commission (HHSC).
Trade Adjustment Assistance	TAA	A federally funded program, with no costs to employers, who helps workers who are adversely affected by foreign import or job shifts to a foreign country.
Texas Education Agency	TEA	The branch of government in Texas responsible for public education. TEA is responsible for the oversight of public primary and secondary education in the state of Texas.
Texas Internship Initiative	TII	Provides part-time paid internships in Middle-Skill areas of accounting, business, construction management, engineering, healthcare, and information technology. Participating senior high school students must pass a dual-credit course to be placed in an internship with a local business. This grant is in partnership with Education to Employment (E2E) for the Coastal Bend.
Texas Industry Partnership Program	TIP	Supports collaborations between local workforce development boards and industry partners through the leveraging of matching contributions of cash or qualifying expenditures for occupational job training. Match funds must support certain WIOA (Workforce Innovation and Opportunity Act) activities and focus on eight designated industry clusters.
Texas Veterans Commission	TVC	A state agency that assists veterans, their families, and survivors through services provided by federal, state, local government, and private organizations.
Texas Veterans Leadership Program	TVLP	A non-profit agency that provides services to veterans to help find employment and achieve successful transitions back into civilian life.
The Workforce Information System of Texas	TWIST	TWIST is a centralized point of reporting intake and case management for customers. Intake information is submitted just once for multiple employment and training programs and can be retrieved statewide. TWIST also allows staff to query and retrieve information from the legacy systems – Employment Services, Unemployment Insurance, SNAP E&T, TANF, Supplemental Security Income, and the Texas Department of Criminal Justice.
Vocational Rehabilitation Services	VRS	A federal program that helps individuals with physical or mental disabilities get and/or keep a job.
Work Experience	WE	A work-based learning opportunity in which program-eligible customers learn both essential and technical skills for long-term employment. Businesses are referred to as “work experience sites.” Intended to be short-term (12 or fewer weeks) and part-time work experience can be a volunteer, internship, or temporary short-term paid-work setting.
Workforce Innovation and Opportunity Act	WIOA	Helps job seekers and workers access employment, education, training, and support services to succeed in the labor market; and matches employers with the skilled workers they need to compete in the global economy.
Work In Texas	WIT	A comprehensive online job search resource and matching system developed and maintained by TWC. It provides recruiting assistance to Texas employers and job search assistance to any individual seeking work in Texas.
Workforce Opportunity Tax Credit	WOTC	A federal tax credit that the government provides to private-sector businesses for hiring individuals from nine target groups that have historically faced significant barriers to employment.