

Finance Council Meeting

November 12, 2025

Welcome and Remarks



Robert Salonen

Vice Chair

FOR PUBLIC COMMENT:

Please email Madison Frazee at
mfrazee@careersourceflorida.com and wait to be
recognized by the Chair.

Consent Item

For Consideration:

- Approval of August 20, 2025, Joint Council Meeting Minutes, to include any modifications or changes noted by the board.

Annual Independent Audit FY 2024-2025



Dana Davis, CPA

CFO



Brian Liffick

Assurance Services
Partner, Cherry Bekaert, LLP
Partner, Cherry Bekaert
Advisory, LLC



Nick Stratis

Manager, Cherry Bekaert
Advisory LLC

CAREERSOURCE FLORIDA, INC.

Audit Executive Summary

November 12, 2025



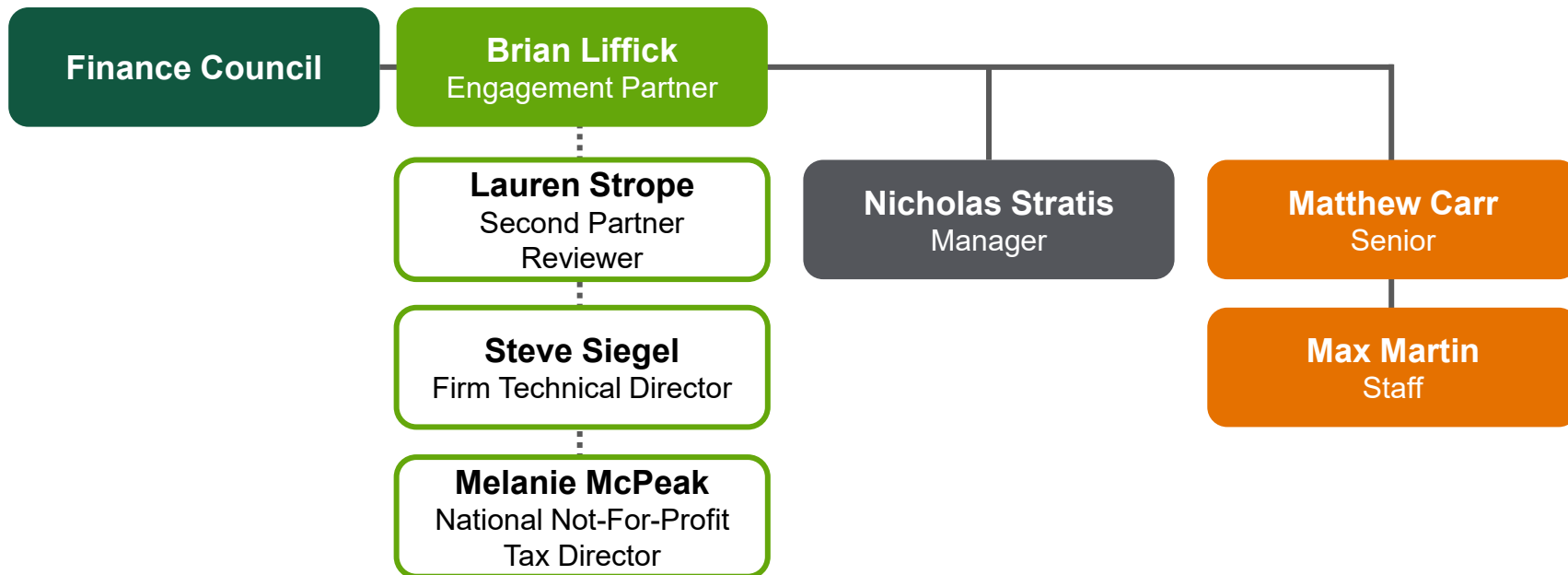
Agenda

- ▶ Client Service Team
- ▶ Results of the Audit
- ▶ Significant Audit Matters
- ▶ Internal Control and Compliance
- ▶ Internal Control Communication
- ▶ Corrected and Uncorrected Misstatements
- ▶ Qualitative Aspects of Accounting Practices
- ▶ Independence Considerations
- ▶ Other Required Communications
- ▶ Other Matters
- ▶ Upcoming Financial Reporting Changes

This information is intended solely for the use of the Finance Council, the Board of Directors and management of CareerSource Florida, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.



Client Service Team

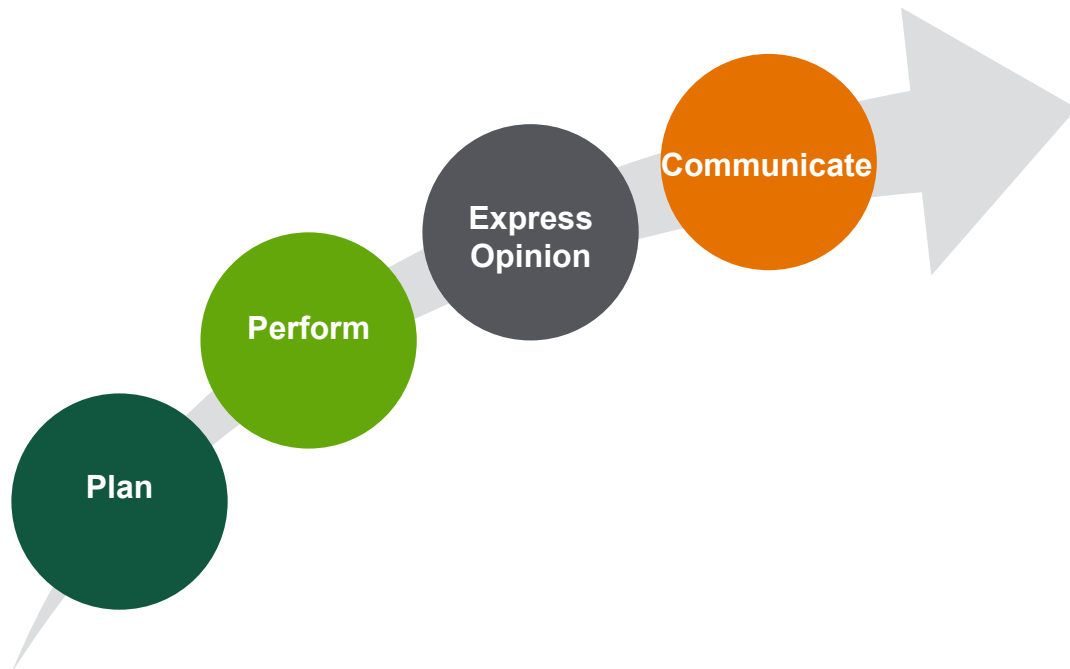


Results of the Audit

We have audited the financial statements of CareerSource Florida, Inc. (the “Organization”) for the year ended June 30, 2025, in accordance with generally accepted auditing standards and *Government Auditing Standards*, and plan to issue our report thereon dated subsequent to this meeting.

We also have worked on the audit of the Organization’s compliance with the various statutory requirements and with the types of compliance requirements described in the OMB Compliance Supplement and Chapter 10.550, *Rules of the Auditor General*, that could have a direct and material effect on each of the Organization’s major federal programs and state projects for the year ended June 30, 2025.

We plan to issue an unmodified opinion on the financial statements and will communicate and issue our opinion on the Uniform Guidance and Chapter 10.550 audit at a later date.



Significant Audit Matters

Management Override of Controls

- Examined journal entries and obtained supporting documentation.
- Assignment of audit staff based on consideration of audit risk.
- Reviewed accounting estimates for management bias.
- Evaluation of business rationale for unusual transactions.
- Performed fraud inquiries with management and those charged with governance.



Internal Control and Compliance

Single Audit (Grants)

Federal
Major
Programs
and State
Projects

- U.S. Department of Labor Employment Services Cluster
- U.S. Department of Health and Human Services Temporary Assistance for Need Families (TANF)
- Florida Department of Commerce Quick Response Training
- *to be issued after OMB Compliance Supplement is available

Verification of
Compliance
with Grant
Agreements

Internal Control Communication

In planning and performing our audit, we considered 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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.



Internal Control Communication

Material Weakness

- ▶ 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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Significant Deficiency

- ▶ 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.

We did not identify any control deficiencies that we believe to be material weaknesses.



Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Corrected Misstatements

► None noted.

Uncorrected Misstatements

► None noted.

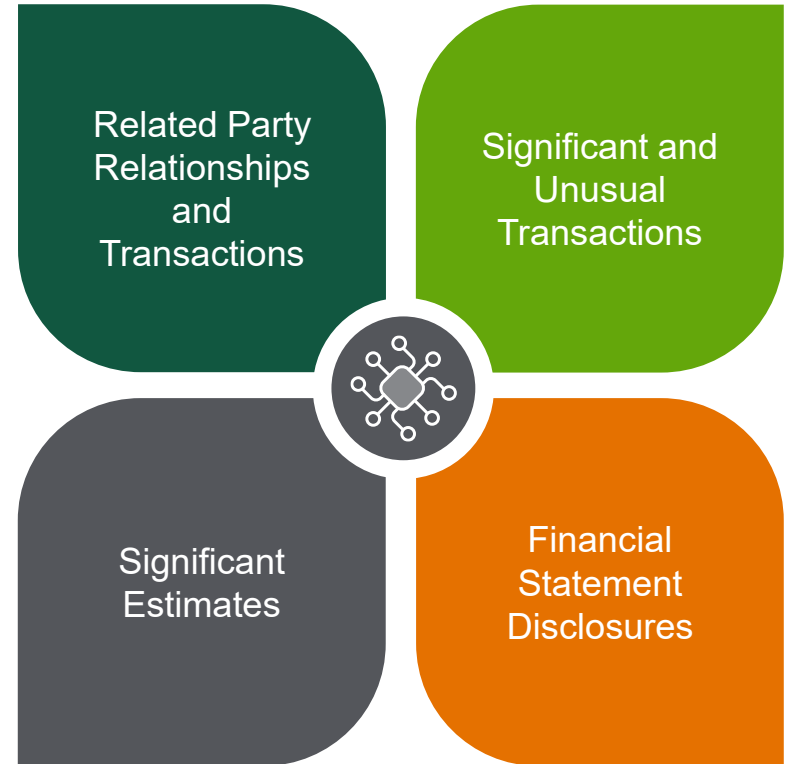


Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements.

As of July 1, 2024, the Organization adopted the provisions of GASB 101, *Compensated Absences*, which amended the existing accounting standards for recognition and measurement guidance for compensated absences. Additionally, GASB 102, *Certain Risk Disclosures*, was implemented as of July 1, 2024. There have been no significant changes in accounting policies or practices related to the implementation of these standards.

The application of all other existing policies was not changed during the year. We noted no inappropriate accounting policies or practices.

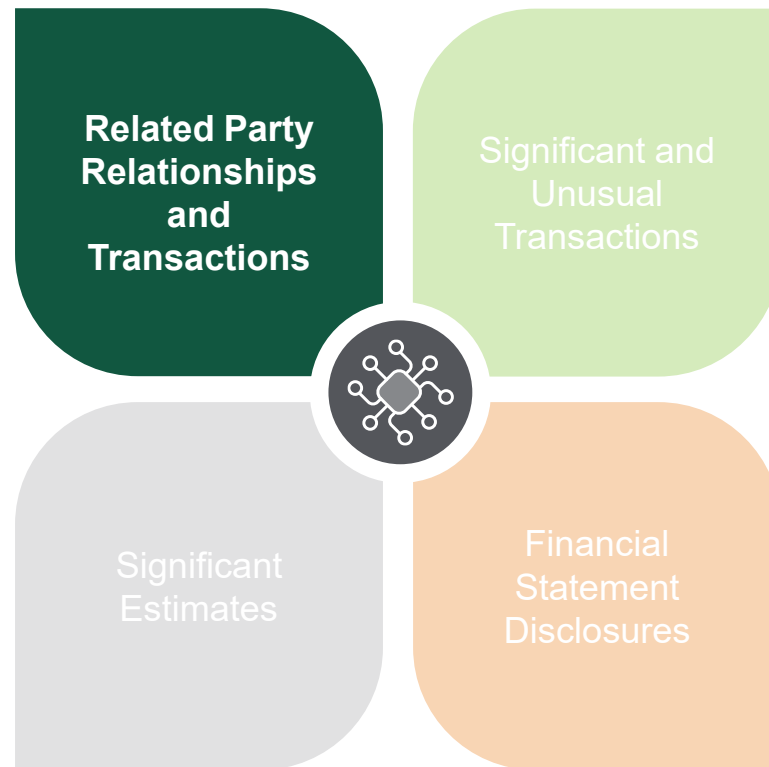


Qualitative Aspects of Accounting Practices

As part of our audit, we evaluated the Organization's identification of, accounting for, and disclosure of the Organization's relationships and transactions with related parties as required by professional standards.

We noted none of the following:

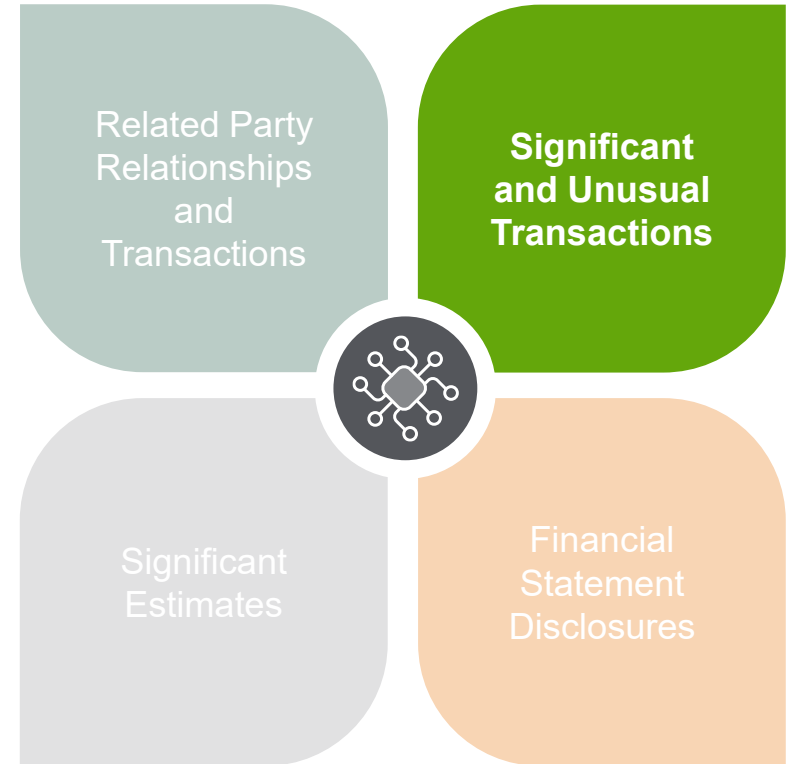
- Related parties or related party relationships or transactions that were previously undisclosed to us;
- Significant related party transactions that have not been approved in accordance with the Organization's policies or procedures or for which exceptions to the Organization's policies or procedures were granted;
- Significant related party transactions that appeared to lack a business purpose;
- Noncompliance with applicable laws or regulations prohibiting or restricting specific types of related party transactions;
- Difficulties in identifying the party that ultimately controls the Organization.



Qualitative Aspects of Accounting Practices

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

For purposes of this presentation, professional standards define significant unusual transactions as transactions that are outside the normal course of business for the Organization or that otherwise appear to be unusual due to their timing, size, or nature. We noted no significant unusual transactions during our audit.

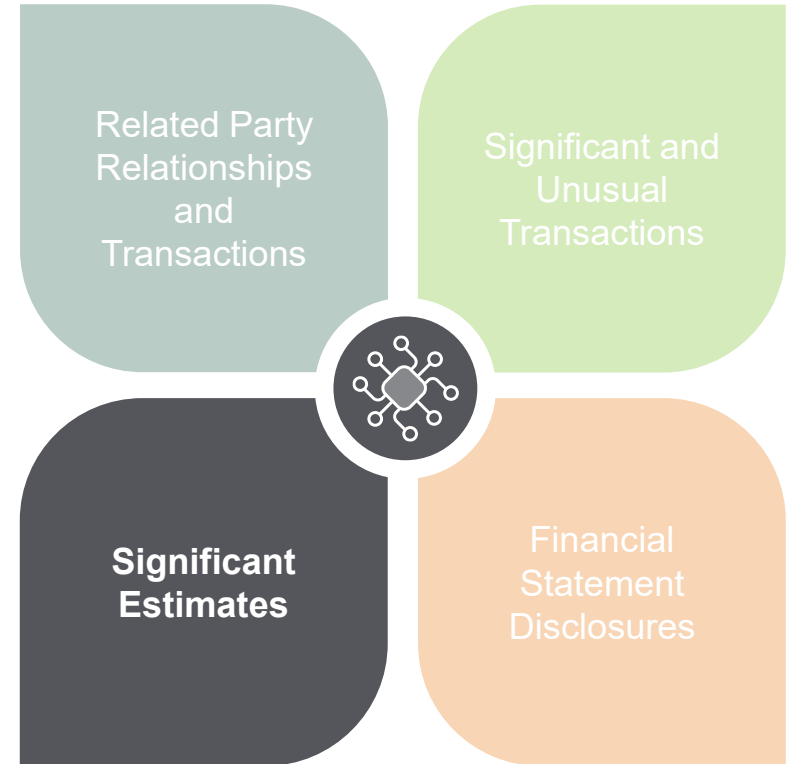


Qualitative Aspects of Accounting Practices

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Depreciable lives for capital assets.
- Allowance for uncollectible accounts.
- Functional expense allocation.

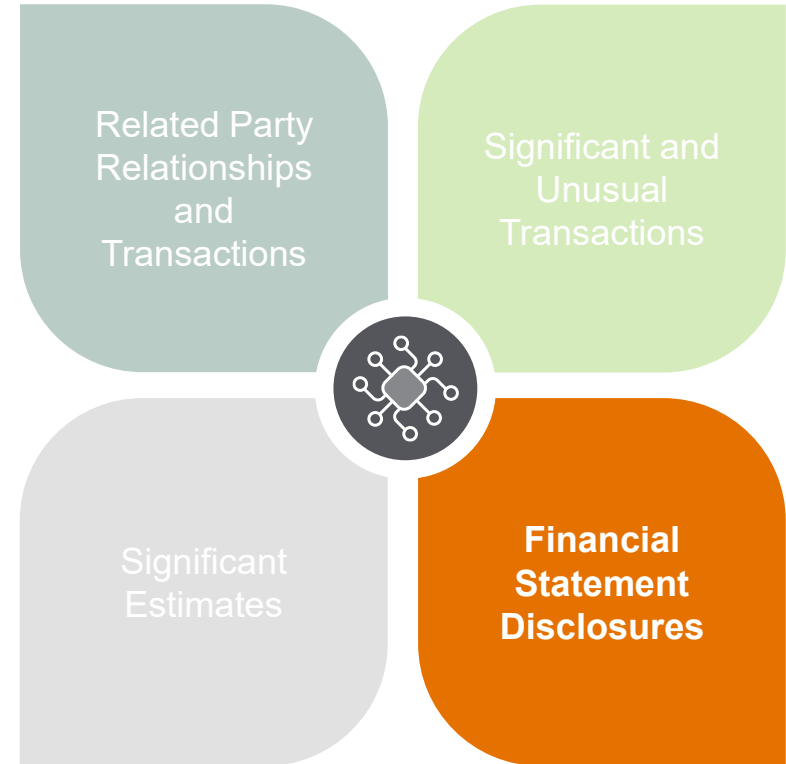
We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.



Qualitative Aspects of Accounting Practices

The financial statement disclosures are neutral, consistent, and clear.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of the Organization's leases in Note 4 to the financial statements.



Independence Considerations

Nonattest Services

- ▶ Prepare the Organization's federal and state tax returns.
- ▶ Complete the appropriate sections of and certify the Data Collection Form.
- ▶ For all nonattest services we perform, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, and accept overall responsibility for the results of the services.



Independence Conclusion

- ▶ We are not aware of any other circumstances or relationships that create threats to auditor independence.
- ▶ We are independent of the Organization and have met our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits.



Other Required Communications

Difficulties Encountered

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

Includes disagreements on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Auditor Consultations

We noted no matters that are difficult or contentious for which the auditor consulted outside the engagement team.

Management Representations

We have requested certain representations from management that are included in the management representation letter to be dated subsequent to this meeting.



Other Required Communications

Management Consultations

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. To our knowledge, there were no such consultations with other accountants.

Other Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year. These discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Fraud and Illegal Acts

As of the date of this presentation, no fraud, illegal acts, or violations of laws and regulations noted.

Going Concern

No events or conditions noted that indicate substantial doubt about the Organization’s ability to continue as a going concern.



Other Matters

Supplementary Information

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Upcoming Financial Reporting Changes

Currently no significant standards will be effective for the Organization in the upcoming year.

We will be in contact with management regarding the potential changes in standards and how we may be able to assist in the implementation efforts.

- ▶ GASB 103 – *Financial Reporting Model Improvements*
- ▶ GASB 104 – *Disclosure of Certain Capital Assets*



Questions

Contacts

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About Cherry Bekaert

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Action Item

For Consideration:

- Conditional acceptance of the annual financial audit for the fiscal year ending June 30, 2025, conducted and prepared by Cherry Bekaert, LLC, and advance to the full State Workforce Development Board for conditional approval.

CareerSource Florida Financial Operations Update



Dana Davis, CPA

Chief Financial Officer

Operational Expenditure Variances

Expenditures as of 10/31/25 vs. 2026 Budget

| | Expenditures | 2026 Budget | Variance | % of Budget |
|--------------------|--------------------|--------------------|--------------------|--------------|
| Total Expenditures | \$1,421,707 | \$4,831,990 | \$3,410,283 | 29.4% |

Budget % as of 10/31/25 vs. Historical

| | 2026 | 2025 | 2024 | 2023 |
|--------------------|------|------|------|------|
| Total Expenditures | 29% | 29% | 28% | 30% |

CareerSource Florida Grants Management Update



Malissa Counts

Grants Manager

Executed Contracts Ending September 30, 2025

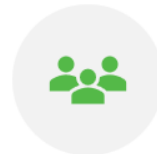
Incumbent Worker Training Grant \$3 Million



22
CONTRACTS
SIGNED



\$925,250
GRANTS
AWARD



347
TRAINEES

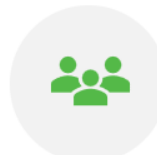
Quick Response Training Grant \$7.5 Million



7
CONTRACTS
SIGNED

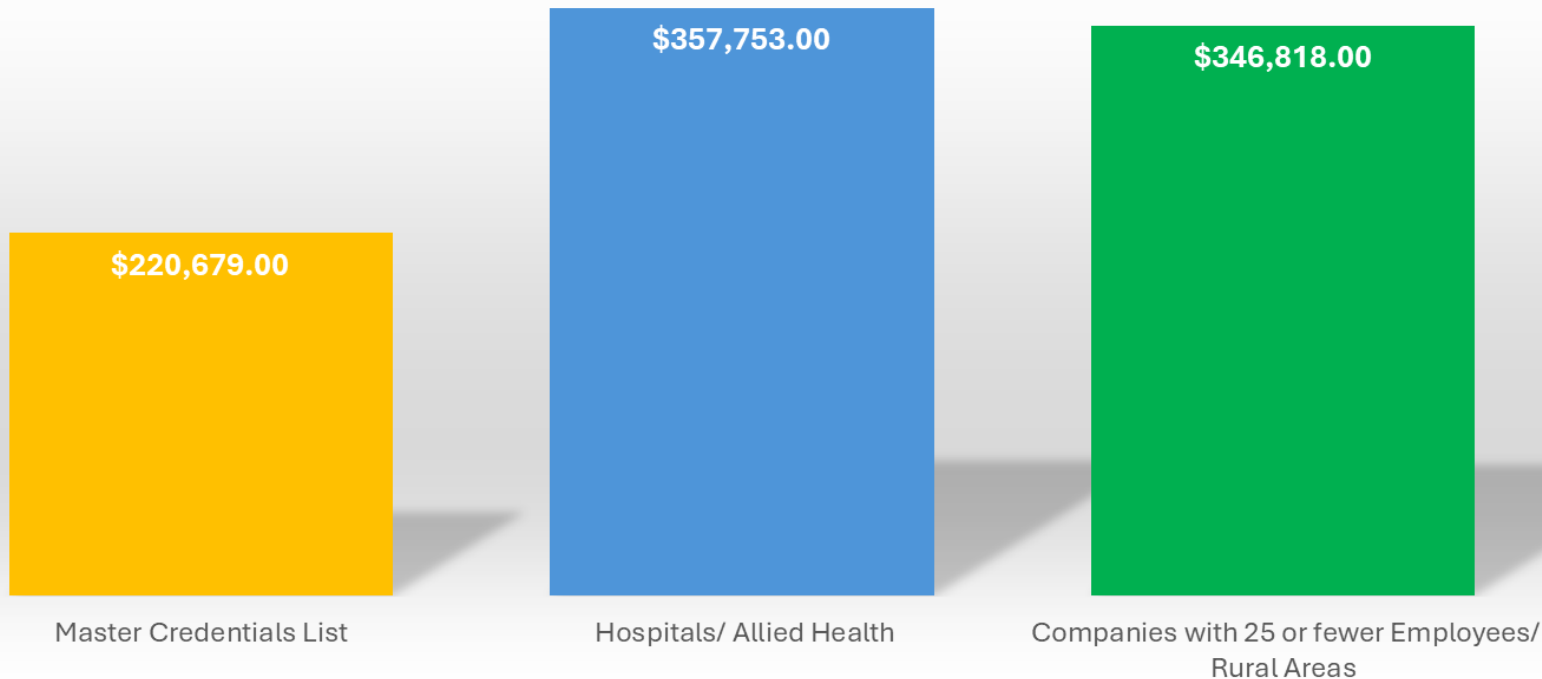


\$1,131,500
GRANTS
AWARD

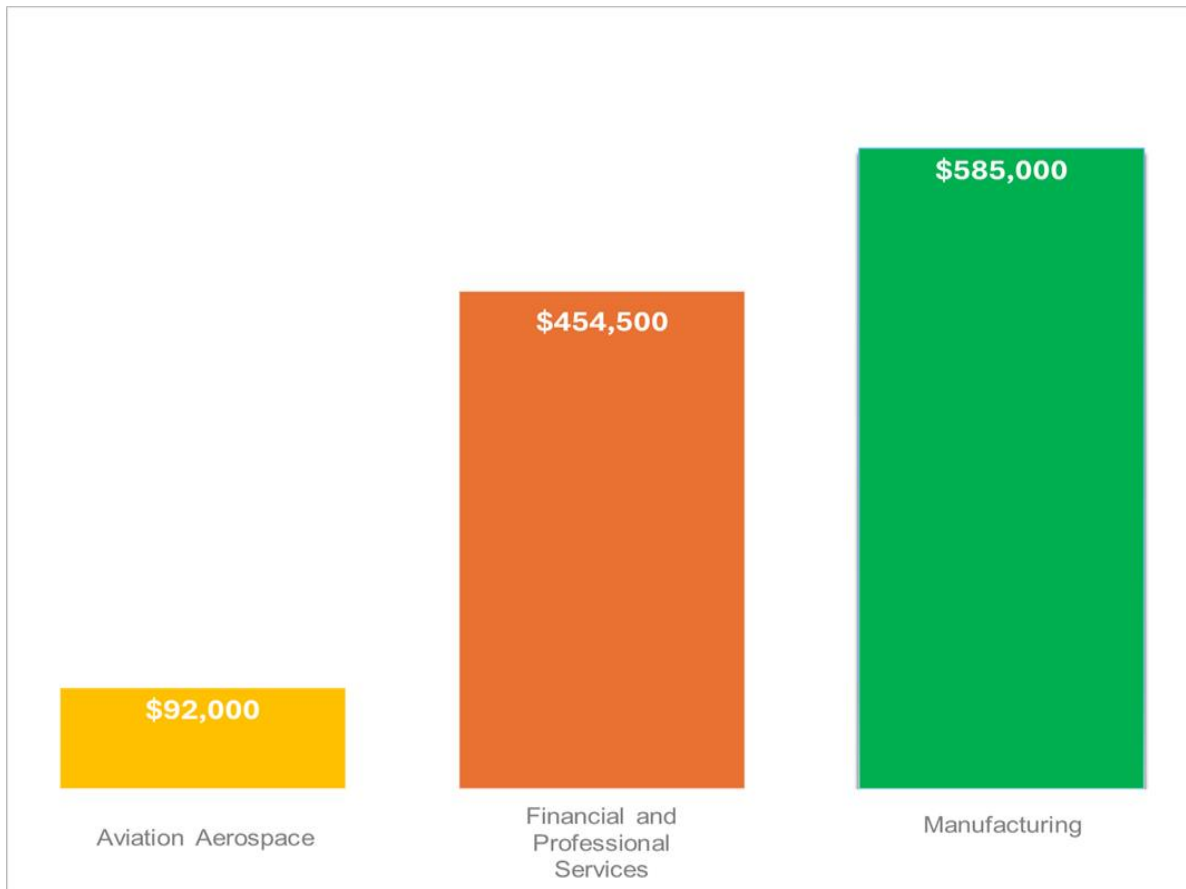


688
TRAINEES

IWT Priority Funding Breakdown – First Quarter



QRT Targeted Sector – First Quarter



OPEN DISCUSSION AND PUBLIC COMMENT

Closing Remarks



Robert Salonen

Vice Chair