

CAREERSOURCE FLORIDA, INC.

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

As of and for the Year Ended June 30, 2025

And Report of Independent Auditor

CAREERSOURCE FLORIDA, INC.
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Report of Independent Auditor

To the Board of Directors
CareerSource Florida, Inc.
Tallahassee, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of CareerSource Florida, Inc. (the "Organization"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Organization as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Prior Year Financial Statements

The financial statements of the Organization as of June 30, 2024 were audited by other auditors whose report dated October 21, 2024 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 for twelve months beyond the financial statement, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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.

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Organization's basic financial statements. 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 Award*, and Chapter 10.650, Rules of the Auditor General, 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 30, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Cherry Bekaert LLP

Orlando, Florida
December 30, 2025

CAREERSOURCE FLORIDA, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024

This discussion and analysis of CareerSource Florida, Inc.'s financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2025. This analysis should be read in conjunction with the report of independent auditor (pages 1 through 3) and the basic financial statements, which begin on page 10.

Financial Highlights

Assets of CareerSource Florida, Inc. exceeded its liabilities at the close of the most recent fiscal year by \$826,541 (net position of \$823,695, is unrestricted). Assets exceeded liabilities at the close of the prior fiscal year by \$880,006 (net position of \$860,736 is unrestricted).

Government assistance, including pass-through grants, accounted for \$19,692,140 and \$20,438,514 in revenue for the years ended June 30, 2025 and 2024, respectively.

For the years ended June 30, 2025 and 2024, CareerSource Florida, Inc. spent \$1,155,574 and \$1,399,637, respectively, for Incumbent Worker Training programs, \$6,629,870 and \$5,112,245 respectively, for Quick Response Training, and \$12,091,182 and \$14,015,063, respectively, in other program costs, which include general, administrative, and contractual expenses. For the year ended June 30, 2025, CareerSource Florida, Inc. incurred \$19,876,626 in total expenses for a total decrease of \$650,319 or 3.17% compared to prior year. For the year ended June 30, 2024, CareerSource Florida, Inc. incurred \$20,526,945 in total expenses for a total increase of \$3,959,019 or 23.91% from the prior year.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to CareerSource Florida, Inc.'s basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of CareerSource Florida, Inc.'s finances, in a manner similar to a private-sector business. CareerSource Florida, Inc.'s government-wide financial statements include the statement of net position and the statement of activities.

The statement of net position presents financial and capital resources of CareerSource Florida, Inc. Assets are reported when CareerSource Florida, Inc. acquires ownership over assets and liabilities are reported when they are incurred, regardless of the timing of the related cash flows. The difference between CareerSource Florida, Inc.'s total assets and total liabilities is net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents revenue and expenses and shows how CareerSource Florida, Inc.'s net position changed during the most recent fiscal year. All changes in net position are reported in a manner similar to the approach used by a private-sector business in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the period.

CAREERSOURCE FLORIDA, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024

Fund Financial Statements

Fund financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for the cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as fund balance, and generally indicate the amount that can be used to finance the next fiscal year's activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They can be found on pages 17 through 26 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents a Schedule of Expenditures of Federal Awards and State Financial Assistance, which can be found on page 32. This schedule lists all federal and state grants awarded to CareerSource Florida, Inc. and the related expenditures for the fiscal year ended June 30, 2025.

Government-Wide Financial Analysis

One of the most important questions asked about CareerSource Florida, Inc.'s finances is, "Is CareerSource Florida, Inc., as a whole, better off or worse off as a result of the year's activities"? The statement of net position and the statement of activities report information about CareerSource Florida, Inc.'s activities in a way that will help answer this question. These two statements report the net position of CareerSource Florida, Inc. and changes in them during the last reporting period. You may think of CareerSource Florida, Inc.'s net position – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in CareerSource Florida, Inc.'s net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in interest rates, economic conditions, regulations, and new or changed governmental legislation.

CAREERSOURCE FLORIDA, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024

The following schedule is a summary of the fiscal year 2025 Statement of Net Position, which can be found on page 10 of this report with comparative information for the fiscal years 2024 and 2023.

Condensed Financial Statements
Statement of Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Current and other assets	\$ 9,760,118	\$ 6,565,930	\$ 8,187,932
Capital and long-term assets	460,295	663,636	862,214
Total Assets	<u>\$ 10,220,413</u>	<u>\$ 7,229,566</u>	<u>\$ 9,050,146</u>
LIABILITIES			
Current Liabilities	8,599,438	5,377,783	6,961,767
Long-term liabilities	794,434	971,777	1,187,460
Total Liabilities	<u>\$ 9,393,872</u>	<u>\$ 6,349,560</u>	<u>\$ 8,149,227</u>
NET POSITION			
Net investment in capital assets	2,846	19,270	59,029
Net position, beginning of year	823,695	860,736	841,890
Total Net Position	<u>\$ 826,541</u>	<u>\$ 880,006</u>	<u>\$ 900,919</u>

As noted earlier, changes in net position may serve over time as a useful indicator of an organization's financial position. For the year ended June 30, 2025, CareerSource Florida, Inc.'s net position is \$826,541, which is a decrease of \$53,465 in net position for the year. This decrease in net position represented a decrease of approximately 6.08% from the \$880,006 net position at June 30, 2024, and is the result of a decrease in capital assets due to depreciation and amortization in 2025, net of the decrease in unrestricted funds. For the year ended June 30, 2024, CareerSource Florida, Inc.'s net position is \$880,006, which is a decrease of \$20,913 in net position for the year. This decrease in net position represented a decrease of approximately 2.32% from the \$900,919 net position at June 30, 2023, and is the result of a decrease in capital assets due to depreciation and amortization in 2024, net of the decrease in unrestricted funds. The majority of CareerSource Florida, Inc.'s net position is unrestricted and can be used for operations and program related expenses.

CAREERSOURCE FLORIDA, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024

The following chart is a summary of the information presented in the 2025 Statement of Activities found on page 11 of this report, with comparative information in 2024 and 2023.

Condensed Financial Statements
Statement of Activities

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenue:			
Operating grants and contributions	\$ 19,692,140	\$ 20,438,514	\$ 16,453,370
Other income	131,021	67,518	1,522
Total Revenue	<u>19,823,161</u>	<u>20,506,032</u>	<u>16,454,892</u>
Expenses:			
Program Services:			
Incumbent worker training	1,155,574	1,399,637	985,047
Quick response training	6,629,870	5,112,245	5,066,916
Other program costs	<u>12,091,182</u>	<u>14,015,063</u>	<u>10,515,963</u>
Total Expenses	<u>19,876,626</u>	<u>20,526,945</u>	<u>16,567,926</u>
Change in net position	(53,465)	(20,913)	(113,034)
Net position, beginning of year	<u>1,205,252</u>	<u>1,226,165</u>	<u>1,226,165</u>
Net position, end of year	<u>\$ 1,151,787</u>	<u>\$ 1,205,252</u>	<u>\$ 1,113,131</u>

Governmental activities decreased CareerSource Florida, Inc.'s net position by \$53,465, or by 6.08%, for the year ended June 30, 2025, and decreased CareerSource Florida, Inc.'s net position by \$20,913, or by 2.32%, for the year ended June 30, 2024. The following information related key points regarding the financial activities that significantly impacted the change in net assets:

- Operating grants and contributions revenue decreased by \$746,374, or 3.65%, in 2025. This resulted from a decrease in the amount of requested reimbursements in the Incumbent Worker Training grant program in the year and reduced contract expenses related to the special projects, partially offset by an increase in the amount of requested reimbursements in the Quick Response Training grant program. Operating grants and contributions revenue increased by \$3,985,144, or 24.22%, in 2024. This resulted from an increase in the amount of requested reimbursements in the Incumbent Worker Training grant program in the year and additional contract expenses related to the REACH Act.
- Incumbent Worker Training ("IWT") grant reimbursements decreased by \$244,063, or 17.44%, in 2025, and increased by \$414,590, or 42.09%, in 2024. IWT expenses are incurred on a reimbursement-request basis and are subject to timing variances; thus, these changes are a result of timing variances pertaining to award issuance and subsequent reimbursement requested. For the year ended June 30, 2025, CareerSource Florida, Inc. received and processed fewer requested reimbursements than the previous year, and for the year ended June 30, 2024, CareerSource Florida, Inc. received and processed more requested reimbursements than the previous year.

CAREERSOURCE FLORIDA, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024

- Quick Response Training (“QRT”) grant assistance increased by \$1,517,625, or 29.69%, in 2025, and increased by \$45,329, or 0.89%, in 2024. QRT expenses are incurred on a reimbursement-request basis and are subject to timing variances; thus, these changes are a result of timing variances pertaining to award issuance and subsequent reimbursement requested. For the years ended June 30, 2025 and 2024, CareerSource Florida, Inc. received and processed more requested reimbursements than each of the previous years.
- Other Program Costs decreased by \$1,923,881, or 13.73%, in 2025. This decrease is mostly in program costs due to reduced special project contracts. Other Program Costs increased by \$3,499,100, or 33.27%, in 2024. This increase is mostly in program costs due to additional contract expenses related to the REACH Act.

Fund Financial Analysis

As noted earlier, CareerSource Florida, Inc. also presents fund financial statements to provide information on near-term inflows, outflows, and balances of spendable resources. CareerSource Florida, Inc. has one governmental fund (the “General Fund”). The financial operations of the General Fund are included in the Statement of Revenues, Expenditures, and Changes in Fund Balance on page 15 of this report.

The following are significant highlights of the general fund financial statements:

- At June 30, 2025, total assets were \$9,760,118, of which cash accounted for 77.90% of the total balance. At June 30, 2024, total assets were \$6,565,930, of which cash accounted for 45.68% of the total balance.
- Cash increased a total of \$4,604,027 in 2025 for a balance of \$7,603,116 at June 30, 2025. This was the result of QRT program funds receipted during the year exceeding disbursements, and an increase in grant payables at year-end. Cash decreased a total of \$2,025,378 in 2024 for a balance of \$2,999,089 at June 30, 2024. This was the result QRT program funds disbursed during the year exceeding receipts, and an advance of QRT program funds requested in June 2024 not being received until after year-end.
- Total general fund liabilities at June 30, 2025 were \$8,599,438, of which unearned revenues accounted for approximately 61.16% of the total. The increase in the unearned revenue balance resulted from QRT program receipts during the year exceeding disbursements. Total general fund liabilities at June 30, 2024 were \$5,377,783, of which unearned revenues accounted for approximately 58.56% of the total. The decrease in the unearned revenue balance resulted from QRT program funds disbursed during the year exceeding receipts, and an advance of QRT program funds requested in June 2024 not being received until after year-end.
- Total General Fund revenues were \$19,731,401 for the year ended June 30, 2025, a decrease of \$774,631 or 3.78%. This decrease was driven by a decrease in the amount of requested reimbursements in Incumbent Worker Training grant program in the year and reduced contract expenses related to the special projects, partially offset by an increase in the amount of requested reimbursements in the Quick Response Training grant program. Total General Fund revenues were \$20,506,032 for the year ended June 30, 2024, an increase of \$4,051,140 or 24.62%. This increase was driven by more dollars being requested for reimbursement by IWT grantees and reimbursements for additional contract expenses related to the REACH Act.
- Total expenditures decreased by \$693,422 in 2025, or 3.38%. This was primarily the result of increased spending in QRT program. Total expenditures increased by \$4,061,592 in 2024, or 24.64%. This was primarily the result of increased spending of the IWT program and additional contract expenses related to the REACH Act.

CAREERSOURCE FLORIDA, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024

Capital Asset Administration

CareerSource Florida, Inc.'s investment in capital assets amounts to \$2,845 for the year ended June 30, 2025 and \$19,270 for the year ended June 30, 2024 (net of accumulated depreciation and amortization), which includes the lease right-to-use assets and related lease liability. Additional information on CareerSource Florida, Inc.'s capital and lease right-to-use assets can be found in Notes 3 and 4 on pages 22 through 24 of this report.

Economic Factors

In accordance with the Workforce Innovation and Opportunity Act of 2014, CareerSource Florida, Inc. operates throughout the state as the primary workforce policy organization on behalf of the State of Florida. CareerSource Florida, Inc. accomplishes this by linking workforce and economic development strategies through business-driven initiatives and programs to ensure that Florida's Workforce has the skills that will meet current and future business needs. Florida businesses continue to cite workforce issues as their most important concern, according to surveys undertaken by various business associations. This concern is consistent with national studies highlighting the difficulties of finding and keeping qualified workers. Additionally, the growing prominence of the technology and biotechnology sectors increases the need to produce skilled workers.

Since Florida's economy is linked to both national and global economic markets which are impacted and driven by major changes and advancements in technology, the challenges facing CareerSource Florida, Inc. will never be completely accomplished and must be continuously adapted to meet these challenges from year to year. CareerSource Florida, Inc. also promotes an environment where Floridians have the opportunity to upgrade their education and skills to obtain jobs that lead to economic self-sufficiency.

Funding for CareerSource Florida, Inc., its initiatives and operations, is derived from legislative appropriations from revenues collected by the state of Florida and federal workforce training funds. In addition to funds for general operational costs of the Board and direct staff, CareerSource Florida, Inc. receives funding for two customized training programs the Quick Response Training and Incumbent Worker Training programs.

Request for Information

This financial report is designed to provide a general overview of CareerSource Florida, Inc.'s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to CareerSource Florida, Inc., P.O. Box 13179, Tallahassee, Florida 32317.

CAREERSOURCE FLORIDA, INC.
STATEMENT OF NET POSITION

JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets:		
Cash	\$ 7,603,116	\$ 2,999,089
Grants and contracts receivable	2,048,382	3,469,638
Prepaid expenses	108,120	96,703
Total Current Assets	<u>9,759,618</u>	<u>6,565,430</u>
Noncurrent Assets:		
Capital assets, net	2,846	19,720
Lease right-to-use asset, net	457,449	643,916
Prepaid expenses	500	500
Total Noncurrent Assets	<u>460,795</u>	<u>664,136</u>
Total Assets	<u><u>\$ 10,220,413</u></u>	<u><u>\$ 7,229,566</u></u>
LIABILITIES AND NET POSITION		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 3,339,898	\$ 2,228,553
Unearned revenue	5,259,540	3,149,230
Total Current Liabilities	<u>8,599,438</u>	<u>5,377,783</u>
Long-Term Liabilities:		
Due Within One Year:		
Compensated absences	172,945	143,376
Lease liability	228,453	212,969
Due in More Than One Year:		
Compensated absences	35,423	29,366
Lease liability	357,613	586,066
Total Long-Term Liabilities	<u>794,434</u>	<u>971,777</u>
Total Liabilities	<u>9,393,872</u>	<u>6,349,560</u>
Net Position:		
Net investment in capital assets	2,846	19,270
Unrestricted	823,695	860,736
Total Net Position	<u>826,541</u>	<u>880,006</u>
Total Liabilities and Net Position	<u><u>\$ 10,220,413</u></u>	<u><u>\$ 7,229,566</u></u>

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

CAREERSOURCE FLORIDA, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Economic environment					
Incumbent worker training	\$ 1,155,574	\$ -	\$ 1,155,574	\$ -	\$ -
Quick response training	6,629,870	-	6,629,870	-	-
Other program costs	12,091,182	-	11,906,696	-	(184,486)
Total Governmental Activities	<u>\$ 19,876,626</u>	<u>\$ -</u>	<u>\$ 19,692,140</u>	<u>\$ -</u>	<u>(184,486)</u>
General Revenue:					
Miscellaneous					131,021
Total General Revenue					<u>131,021</u>
Change in net position					(53,465)
Net position, beginning of year					<u>880,006</u>
Net position, end of year					<u>\$ 826,541</u>

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

CAREERSOURCE FLORIDA, INC.
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities:					
Economic environment					
Incumbent worker training	\$ 1,399,637	\$ -	\$ 1,399,637	\$ -	\$ -
Quick response training	5,112,245	-	5,112,245	-	-
Other program costs	14,015,063	-	13,926,632	-	(88,431)
Total Governmental Activities	<u>\$ 20,526,945</u>	<u>\$ -</u>	<u>\$ 20,438,514</u>	<u>\$ -</u>	<u>(88,431)</u>
General Revenue:					
Miscellaneous					67,518
Total General Revenue					<u>67,518</u>
Change in net position					(20,913)
Net position, beginning of year					<u>900,919</u>
Net position, end of year					<u>\$ 880,006</u>

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

CAREERSOURCE FLORIDA, INC.
BALANCE SHEETS
GOVERNMENTAL FUND TYPES – GENERAL FUND

JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets:		
Cash	\$ 7,603,116	\$ 2,999,089
Grants and contracts receivable	2,048,382	3,469,638
Prepaid expenses	108,620	97,203
Total Current Assets	<u>\$ 9,760,118</u>	<u>\$ 6,565,930</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 3,339,898	\$ 2,228,553
Unearned revenue	5,259,540	3,149,230
Total Current Liabilities	<u>8,599,438</u>	<u>5,377,783</u>
Deferred Inflows of Resources:		
Unavailable revenue	91,760	-
Fund Balance:		
Non-spendable - prepaid expenses	108,620	97,203
Unassigned	960,300	1,090,944
Fund Balance	<u>1,068,920</u>	<u>1,188,147</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u>\$ 9,760,118</u>	<u>\$ 6,565,930</u>

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

CAREERSOURCE FLORIDA, INC.**RECONCILIATION OF THE BALANCE SHEETS OF THE GOVERNMENTAL FUND TO THE STATEMENTS OF NET POSITION***JUNE 30, 2025 AND 2024*

	<u>2025</u>	<u>2024</u>
Total fund balance of governmental fund	\$ 1,068,920	\$ 1,188,147
Amounts reported for governmental activities in the statements of net position are different because:		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of:		
Compensated absences	(208,368)	(172,742)
Lease liability	(586,066)	(799,035)
Amounts to be collected under receivables that are not available to pay for the current period's expenditures and are reported as a deferred inflow of resources in the fund.	91,760	-
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	2,846	19,720
Lease right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.	457,449	643,916
Net Position of Governmental Activities	<u>\$ 826,541</u>	<u>\$ 880,006</u>

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

CAREERSOURCE FLORIDA, INC.**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPE - GENERAL FUND***YEARS ENDED JUNE 30, 2025 AND 2024*

	<u>2025</u>	<u>2024</u>
Revenue:		
Intergovernmental revenue	\$ 19,600,380	\$ 20,438,514
Miscellaneous	131,021	67,518
Total Revenue	<u>19,731,401</u>	<u>20,506,032</u>
Expenditures:		
Other program costs	7,563,829	9,975,617
Grants and aids	7,785,444	6,511,882
Salaries and benefits	3,246,854	2,961,123
Administration contracts	444,863	399,423
Occupancy	234,263	232,066
Board meetings and travel	100,295	164,240
Dues and subscriptions	82,020	85,899
Office expenses	70,775	67,868
Travel	65,030	66,727
Professional fees and consultants	79,986	50,274
Insurance	19,590	15,436
Telephone and communications	14,277	13,495
Training and registrations	143,402	-
Total Expenditures	<u>19,850,628</u>	<u>20,544,050</u>
Net change in fund balance	(119,227)	(38,018)
Fund balance at beginning of year	1,188,147	1,226,165
Fund balance at end of year	<u>\$ 1,068,920</u>	<u>\$ 1,188,147</u>

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

CAREERSOURCE FLORIDA, INC.**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE
STATEMENTS OF ACTIVITIES**

YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Net change in fund balance - total governmental fund	\$ (119,227)	\$ (38,018)
Amounts reported for governmental activities in the statements of net position are different because:		
Some expenses reported in the statements of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:		
Unused compensated absences	(35,626)	43,815
Lease liability	212,969	195,507
Receivables uncollected within 60 days of year-end are unavailable to pay for current period expenditures and are reported as a deferred inflow of resources in the fund.	91,760	-
Governmental funds report capital outlays as expenditures. However, in the statements of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense:		
Depreciation and amortization expense on capital assets	(16,874)	(39,309)
Amortization expense on lease right-to-use assets	(186,467)	(182,908)
Change in Net Position of Governmental Activities	<u>\$ (53,465)</u>	<u>\$ (20,913)</u>

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

CAREERSOURCE FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1—Summary of significant accounting policies

Reporting Entity – CareerSource Florida, Inc. (“CareerSource Florida” or “the Organization”) is a not-for-profit corporation created by Chapter 445 of the Florida Statutes. Chapter 2000-165, Laws of Florida, known as the Workforce Innovation Act of 2000, superseded by the Workforce Innovation and Opportunity Act of 2014, created the corporation, which became effective July 1, 2000. This corporation is required to be registered, incorporated, organized, and operated in compliance with Chapter 617, Florida Statutes, as a nonentity of State government.

CareerSource Florida is the principal workforce policy organization for the state of Florida and the local workforce boards. The Florida Workforce System connects employers with qualified, skilled talent and Floridians with employment and career development opportunities to achieve economic prosperity. The Organization is administratively housed within the Department of Commerce (“FloridaCommerce”), and contracts with FloridaCommerce to implement its strategic policies and administer the workforce system.

CareerSource Florida is governed by a Board of Directors (the “Board”), whose membership and appointment is determined by the Governor of the State of Florida and must be consistent with Public Law No. 113-128, Title I, Section 101(b) since it serves as the State’s Workforce Investment Board pursuant to law.

Though the state of Florida appoints the Board, it has no further accountability. Therefore, for financial reporting purposes, CareerSource Florida is a related organization of the state. There are no component units included in the accompanying financial statements.

The accounting policies of the Organization conform to generally accepted accounting principles (“U.S. GAAP”) as applied to governmental units. The more significant accounting policies used by the Organization are described below. The Organization’s reporting entity applies all relevant Governmental Accounting Standards Board (“GASB”) pronouncements.

Government-Wide Financial Statements – The government-wide financial statements (i.e., the statements of net position and the statements of activities) report information on all of the nonfiduciary activities of CareerSource Florida. The focus of the government-wide statements is on the sustainability of CareerSource Florida as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The statements of activities demonstrate the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include operating grants and contributions used to recover expense of a given function or program. Other items not properly included among program revenues are reported instead as general revenues.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund.

Fund Financial Statements – The fund financial statements provide information about CareerSource Florida’s governmental fund. Separate statements for the governmental fund are presented. CareerSource Florida reports one governmental fund, the General Fund, which is used to account for all financial resources of the Organization. The general fund is reported as a major fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

CAREERSOURCE FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1—Summary of significant accounting policies (continued)

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and lease payables are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Organization.

Budgetary Information – GASB requires budgetary comparisons to be presented for the general fund that has a legally adopted budget. Management has determined that CareerSource Florida is not legally required to adopt an operating budget by the FloridaCommerce, Florida Statutes, or any federal regulation. Therefore, no budgetary comparison schedules have been presented.

Use of Estimates – The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash – CareerSource Florida’s cash are considered to be cash on hand and demand deposit checking accounts.

Grants and Contracts Receivable – Grants and contracts receivable consist primarily of amounts due from FloridaCommerce. Management determines the allowance for doubtful accounts based on specific identification and a general reserve based on management’s experience with prior collections and the current economic environment. Management’s estimate of potential uncollectible amounts associated with grants and contracts receivable is immaterial; accordingly, no allowance for doubtful accounts has been recorded.

Capital Assets – Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by CareerSource Florida as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. As the Organization acquires additional capital assets each period they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Property and equipment are depreciated using the straight-line method over the following estimated useful lives:

Leasehold improvements	5 Years
Office furniture	7 Years
Office equipment and computers	5 Years

CAREERSOURCE FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1—Summary of significant accounting policies (continued)

Capital assets acquired by CareerSource Florida are considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The federal government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year.

Leases – Lease contracts that provide the Organization with control of a non-financial asset, such as land, buildings, or equipment, for a period of time in excess of 12 months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Compensated Absences – Permanent full-time employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Organization. CareerSource Florida employees' annual leave balances in excess of 360 hours will be transferred to sick leave on an hour-for-hour basis. Sick leave is accrued but generally only paid out at 25% of the accrued balance after 10 years of service up to a stated maximum. However, the employment contract with the President stipulates that sick leave is paid in accordance with the employment contract. CareerSource Florida evaluated compensated absences to recognize balances that are more likely than not to be paid as the respective liability.

Revenue Recognition – Revenues are recognized when earned. CareerSource Florida received advanced funds from the state of Florida to administer the Quick Response Training program. Under this program, the Organization awards funds to businesses that provide training to the businesses' employees via local community colleges and/or state universities. CareerSource Florida defers the revenue relating to these programs until the earnings process is substantially complete, which the Organization has determined occurs when the training has taken place and the college or business has submitted requests for reimbursement.

Deferred Inflows of Resources – Deferred Inflows of Resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. CareerSource Florida has unavailable revenue related to grants that meets the criteria.

Transferred Investment Income – As a condition of its grants and in compliance with 2 CFR 200.305 of the Uniform Guidance as adopted by CareerSource Florida, all interest above \$500 earned on funds advanced from the state of Florida is due and payable to the state of Florida. At June 30, 2025 and 2024, the applicable liability due to the state of Florida is included in accrued liabilities in the statements of net position.

Categories and Classification of Net Position and Fund Balance – Net Position Flow Assumption – Sometimes CareerSource Florida will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is CareerSource Florida's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

CAREERSOURCE FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1—Summary of significant accounting policies (continued)

Fund Balance Flow Assumptions – Sometimes CareerSource Florida will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is CareerSource Florida's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Organization itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, specifies the following classifications:

- *Nonspendable Fund Balance* – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. As of June 30, 2025 and 2024 there are no amounts that are classified as restricted fund balance.
- *Committed Fund Balance* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Organization's highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the Organization that can, by adoption of a board resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board resolution remains in place until a similar action is taken (the adoption of another board resolution) to remove or revise the limitation. As of June 30, 2025 and 2024 there are no amounts that are classified as committed fund balance.
- *Assigned Fund Balance* – The assigned fund balance consists of amounts that are constrained by a less-than-formal action of the Organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. As of June 30, 2025 and 2024, there are no amounts that are classified as assigned fund balance.
- *Unassigned Fund Balance* – Unassigned fund balance is the residual classification for the General Fund.

Income Taxes – CareerSource Florida is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is exempt from state income taxes on related income pursuant to Chapter 220.13 of the Florida Statutes. As a charitable organization, only unrelated business income, as defined by Section 509(a)(1) of the Internal Revenue Code, is subject to federal income tax. CareerSource Florida currently has no unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

CAREERSOURCE FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1—Summary of significant accounting policies (continued)

CareerSource Florida has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with U.S. GAAP for accounting for uncertainty in income taxes, and determined there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

Functional Allocation of Expenses – Expenses are charged directly to programs that benefit from the expense where possible, or to the indirect cost pool. Indirect expenses are allocated to programs based on the percentage of total funds from each program utilized across the entire Organization from the prior quarter.

Subsequent Events – Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 30, 2025, and determined there are no events that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Guidance:

GASB Statement No. 101 – In June 2022, GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. There have been no significant changes in accounting policies or practices related to the implementation of GASB Statement No. 101 during the reporting period.

GASB Statement No. 102 – In December 2023, GASB issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. There have been no significant changes in accounting policies, practices, or disclosures related to the implementation of GASB Statement No. 102 during the reporting period.

GASB Statement No. 103 – In April 2024, GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. Areas affected include management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Organization is currently evaluating the impact of this guidance on its financial statements.

CAREERSOURCE FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 2—Cash

Florida Statutes provide for risk sharing collateral pools by banks and savings and loan associations. These pools collateralize local government deposits and certificates of deposit with participating depositories. CareerSource Florida's demand deposits are placed in such authorized depositories.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Organization's deposits may not be returned or the Organization will not be able to recover collateral securities in the possession of an outside party. At June 30, 2025 and 2024, the carrying amount of CareerSource Florida, Inc.'s deposits was \$7,603,116 and \$2,999,089, respectively, and the bank balance of CareerSource Florida, Inc.'s deposits was \$7,826,421 and \$3,350,912, respectively. The bank balance is insured up to Federal Deposit Insurance Corporation ("FDIC") limits or by collateral held by CareerSource Florida's custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of FDIC coverage in accordance with the Florida Security for Deposits Act, Chapter 280, Florida Statutes. The Florida Security for Public Deposits Act established guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements, and characteristics of eligible collateral.

Note 3—Capital assets, net

The following is a summary of changes in capital assets during the years ended June 30:

	<u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>
Capital assets:				
Leasehold improvements	\$ 17,505	\$ -	\$ -	\$ 17,505
Office furniture	219,652	-	-	219,652
Office equipment and computers	309,118	-	-	309,118
Total capital assets	<u>546,275</u>	<u>-</u>	<u>-</u>	<u>546,275</u>
Less accumulated depreciation and amortization:				
Leasehold improvements	(17,505)	-	-	(17,505)
Office furniture	(208,863)	(10,789)	-	(219,652)
Office equipment and computers	(300,187)	(6,085)	-	(306,272)
Total accumulated depreciation and amortization	<u>(526,555)</u>	<u>(16,874)</u>	<u>-</u>	<u>(543,429)</u>
Lease right-to-use assets	<u>\$ 19,720</u>	<u>\$ (16,874)</u>	<u>\$ -</u>	<u>\$ 2,846</u>

CAREERSOURCE FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 3—Capital assets, net (continued)

	<u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>
Capital assets:				
Leasehold improvements	\$ 17,505	\$ -	\$ -	\$ 17,505
Office furniture	219,652	-	-	219,652
Office equipment and computers	309,118	-	-	309,118
Total capital assets	<u>546,275</u>	<u>-</u>	<u>-</u>	<u>546,275</u>
Less accumulated depreciation and amortization:				
Leasehold improvements	(17,505)	-	-	(17,505)
Office furniture	(177,485)	(31,378)	-	(208,863)
Office equipment and computers	(292,256)	(7,931)	-	(300,187)
Total accumulated depreciation and amortization	<u>(487,246)</u>	<u>(39,309)</u>	<u>-</u>	<u>(526,555)</u>
Lease right-to-use assets	<u>\$ 59,029</u>	<u>\$ (39,309)</u>	<u>\$ -</u>	<u>\$ 19,720</u>

Depreciation and amortization expense related to capital assets was \$16,874 and \$39,309 for the years ended June 30, 2025 and 2024, respectively, which was charged to other program costs in the statements of activities.

Note 4—Leases

The Organization leases office facilities under an agreement that expires in November 2027. The discount rate used as the interest rate was 4.25%, which is the Organization's incremental borrowing rate as of the commencement date of the lease.

The Organization also leases office equipment under an agreement that expires in March 2029. The discount rate used as the interest rate was 8.50%, which is the Organization's incremental borrowing rate as of the commencement date of the lease.

The following is a summary of changes in the lease right-to-use asset during the years ended June 30:

	<u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>
Lease right-to-use assets:				
Facilities	\$ 1,862,823	\$ -	\$ -	\$ 1,862,823
Office equipment	23,639	-	-	23,639
Total lease right-to-use assets	<u>1,886,462</u>	<u>-</u>	<u>-</u>	<u>1,886,462</u>
Less accumulated amortization:				
Facilities	(1,241,377)	(181,739)	-	(1,423,116)
Office equipment	(1,169)	(4,728)	-	(5,897)
Total accumulated depreciation and amortization	<u>(1,242,546)</u>	<u>(186,467)</u>	<u>-</u>	<u>(1,429,013)</u>
Lease right-to-use assets, net	<u>\$ 643,916</u>	<u>\$ (186,467)</u>	<u>\$ -</u>	<u>\$ 457,449</u>

CAREERSOURCE FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 4—Leases (continued)

	<u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>
Lease right-to-use assets:				
Facilities	\$ 1,862,823	\$ -	\$ -	\$ 1,862,823
Office equipment	-	23,639	-	23,639
Total lease right-to-use assets	<u>1,862,823</u>	<u>23,639</u>	<u>-</u>	<u>1,886,462</u>
Less accumulated amortization:				
Facilities	(1,059,638)	(181,739)	-	(1,241,377)
Office equipment	-	(1,169)	-	(1,169)
Total accumulated depreciation and amortization	<u>(1,059,638)</u>	<u>(182,908)</u>	<u>-</u>	<u>(1,242,546)</u>
Lease right-to-use assets, net	<u>\$ 803,185</u>	<u>\$ (159,269)</u>	<u>\$ -</u>	<u>\$ 643,916</u>

Amortization expense related to the lease right-to-use assets was \$186,467 and \$182,908 for the years ended June 30, 2025 and 2024, respectively, which was charged to other program costs in the statements of activities.

The following is a summary of changes in the lease liability during the years ended June 30:

	<u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>	<u>Due Within One Year</u>
Lease liability	<u>\$ 799,035</u>	<u>\$ -</u>	<u>\$ (212,969)</u>	<u>\$ 586,066</u>	<u>\$ 228,453</u>

	<u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>	<u>Due Within One Year</u>
Lease liability	<u>\$ 970,903</u>	<u>\$ 23,639</u>	<u>\$ (195,507)</u>	<u>\$ 799,035</u>	<u>\$ 212,969</u>

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interst</u>	<u>Total</u>
2026	\$ 228,452	\$ 21,218	\$ 249,670
2027	244,732	10,999	255,731
2028	108,668	1,704	110,372
2029	4,214	151	4,365
	<u>\$ 586,066</u>	<u>\$ 34,072</u>	<u>\$ 620,138</u>

Future debt service requirements on the lease payable at June 30, 2025 are as follows:

Interest expense related to the lease liability was \$30,747 and \$38,015 for the years ended June 30, 2025 and 2024, respectively, which was charged to other program costs in the statements of activities.

CAREERSOURCE FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 5—Compensated absences

The following is a summary of changes in compensated absences during the years ended June 30:

	July 1, 2024	Net Change	June 30, 2025	Due Within One Year
Compensated absences	\$ 172,742	\$ 35,626	\$ 208,368	\$ 172,945

	July 1, 2023	Net Change	June 30, 2024	Due Within One Year
Compensated absences	\$ 216,557	\$ (43,815)	\$ 172,742	\$ 143,376

Note 6—Retirement plan

CareerSource Florida participates in a safe harbor 401(k) Plan (the Plan). The Plan covers all eligible employees of CareerSource Florida. Employer contributions are determined at the discretion of a fiduciary committee of CareerSource Florida and in accordance with the Internal Revenue Code. The Organization contributed a total of \$327,524 and \$284,141 to the Plan during the years ended June 30, 2025 and 2024, respectively. Employees are permitted to make contributions up to applicable Internal Revenue Code limits. Employees contributed \$159,026 and \$152,816 to the Plan during the years ended June 30, 2025 and 2024, respectively. Employees are immediately vested in their own contributions and earnings on those contributions. Employees become 100% vested in employer defined contributions after completing three years of service. For each of the years ended June 30, 2025 and 2024, plan forfeitures included in contribution expense totaled \$17,087 and \$20,003, respectively. Employer and employee contributions owed to the Plan as of June 30, 2025, and 2024 totaled \$-0- for both years. There were no expenses for the Plan paid for by CareerSource Florida during the years ended June 30, 2025 and 2024.

Note 7—Commitments, concentrations, and contingencies

See Note 4 for information on lease commitments.

Significant Funding Source – CareerSource Florida receives a substantial amount of its funding from the United States Department of Labor, the United States Department of Health and Human Services, and the United States Department of Education passed through the state of Florida, Department of Commerce, and funding from the state of Florida Department of Commerce directly. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on CareerSource Florida, Inc.'s programs and activities.

Risk Management – CareerSource Florida is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. CareerSource Florida, Inc. has obtained insurance from commercial underwriters for the aforementioned risks, including workers' compensation for the years ended June 30, 2025 and 2024.

CareerSource Florida has not paid any settlements in excess of insurance coverage for each of the past three years. Furthermore, CareerSource Florida had no significant reduction in insurance coverage from the prior year.

Grants – The grant revenue amounts received are subject to audit and adjustment by grantor agencies. If any expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of CareerSource Florida. In the opinion of management, all grant expenses are in compliance with terms of the grant agreements and applicable Federal and State laws and regulations.

CAREERSOURCE FLORIDA, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 8—Related party transactions

Receivables of \$2,037,210 and \$3,466,641 were due from the state of Florida, Department of Commerce and Department of Corrections, at June 30, 2025 and 2024, respectively, and are included in grants and contracts receivable in the statements of net position and in the balance sheets of the governmental fund type – general fund. Federal and state program revenue received through the state of Florida, Department of Commerce and Department of Corrections, for the years ended June 30, 2025 and 2024 was \$19,692,140 and \$20,438,514 respectively.

OTHER REPORTS

Report of Independent Auditor 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
CareerSource Florida, Inc.
Tallahassee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of CareerSource Florida, Inc. (the "Organization"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Organization's basic financials statements, and have issued our report thereon dated December 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 have not been 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.

Cherry Bekaert LLP

Orlando, Florida
December 30, 2025

Report of Independent Auditor on Compliance for Each Major Federal Awards Program and State Project and on Internal Control over Compliance Required by the Uniform Guidance, Chapter 10.650, Rules of the Auditor General and the Special Audit Guidance Provided by the Florida Department of Commerce

To the Board of Directors
CareerSource Florida, Inc.
Tallahassee, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited CareerSource Florida, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement, 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. The Organization's major federal programs and state projects 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 and state projects for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

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"); Chapter 10.650, Rules of the Auditor General ("Chapter 10.650"); and the special audit guidance provided by the Florida Department of Commerce ("special FloridaCommerce guidance"). Our responsibilities under those standards and Uniform Guidance, Chapter 10.650, and special FloridaCommerce 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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*, the Uniform Guidance, Chapter 10.650, and the special FloridaCommerce 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 of its major federal programs and state projects as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, Chapter 10.650, and the special FloridaCommerce 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, Chapter 10.650, and the special FloridaCommerce 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 or state project 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 or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project 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 this limitation, 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, Chapter 10.650, and the special FloridaCommerce guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
December 30, 2025

SUPPLEMENTARY INFORMATION

CAREERSOURCE FLORIDA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title/Grant Number	Assistance Listing Number	Passed Through to Subrecipients	Federal Expenditures
FEDERAL			
United States Department of Labor:			
Passed through FloridaCommerce:			
Employment Services Cluster:			
Wagner-Peyser Funded Activities	17.207	\$ -	\$ 1,956,370
Workforce Investment and Opportunity Act (WIOA) Cluster:			
WIAWIOA Adult Program	17.258	-	1,751,292
WIAWIOA Youth Activities	17.259	-	1,702,388
WIAWIOA Dislocated Worker Formula Grants	17.278	-	3,343,223
Total Workforce Investment and Opportunity Act (WIOA) Cluster		-	6,796,903
Total United States Department of Labor		-	8,753,273
U.S. Department of Commerce			
Passed through Florida Dept of Economic Opportunity			
Broadband Opportunity Program	21.027	-	125,000
Broadband BEAD	21.027	-	249,949
Total United States Department of Treasury		-	374,949
United States Department of Health and Human Services:			
Passed through FloridaCommerce:			
Temporary Assistance for Needy Families (TANF)	93.558	-	753,256
Total United States Department of Health and Human Services		-	753,256
Total Expenditures of Federal Awards		\$ -	\$ 9,881,478
STATE			
Florida Department of Economic Opportunity			
Quick Response Training	40.026	\$ -	\$ 6,701,480
CareerSource Florida Operations	40.036	-	484,182
TANF Transitional Benefits Feasibility Study	40.036	-	-
Total Florida Department of Economic Opportunity		-	7,185,662
Total Expenditures of State Financial Assistance		-	7,185,662
Total Expenditures of Federal Awards and State Financial Assistance		\$ -	\$17,067,140

CAREERSOURCE FLORIDA, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2025

Note 1—Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the federal and state award activity of CareerSource Florida, Inc. ("CareerSource Florida" or "the Organization"). The information in this Schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations*, Chapter 10.650, Rules of the Auditor General, and the special audit guidance provided by the Florida Department of Commerce. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. For purposes of the Schedule, federal awards and state financial assistance include all grants, contracts, and similar agreements entered into directly with the federal or state government and other passthrough entities. The Organization has obtained Assistance Listing Numbers (ALN) and Catalog of State Financial Assistance (CSFA) numbers to ensure all programs have been identified in the Schedule. Clusters are separately identified within this Schedule.

Note 2—Summary of significant accounting policies

The Schedule was prepared on the modified accrual basis of accounting.

Note 3—Contingencies

Grant monies received and disbursed by the Organization are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Organization does not believe such disallowance, if any, would have a material effect on the financial position of the Organization. As of June 30, 2025, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

Note 4—Noncash assistance

The Organization did not receive any federal or state noncash assistance for the year ended June 30, 2025.

Note 5—Indirect cost

The Organization has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 6—Federally funded insurance

The Organization did not receive federally funded insurance during the fiscal year ended June 30, 2025.

Note 7—Federally funded loans

The Organization has no federally funded loans as of June 30, 2025. No funds were expended in the form of loan or loan guarantees during the fiscal year ended June 30, 2025.

CAREERSOURCE FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

Section I. Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? yes no
- Significant deficiency identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards and State Projects Section

Internal control over major programs and projects:

- Material weakness identified? yes no
- Significant deficiency identified? yes none reported

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

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

Identification of major programs and projects:

Federal Programs:

<u>Assistance Listing #</u>	<u>Program Name</u>
17.207-CL	Employment Service Cluster
93.558	Temporary Assistance for Needy Families

State Project:

<u>CSFA #</u>	<u>Project Name</u>
40.026	Quick Response Training

Dollar threshold used to determine Type A Programs:

Federal	<u>\$750,000</u>
State	<u>\$750,000</u>

Auditee qualified as low-risk auditee? yes no

Section II. Schedule of Financial Statement Findings

None reported for the year ended June 30, 2025.

Section III. Federal Award and State Projects Findings and Questioned Costs

None reported for the year ended June 30, 2025.

CAREERSOURCE FLORIDA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

Section IV. Prior Year Findings

There were no prior year findings reported.

Section V. Other Matters

- (a). No management letter is required because there were no findings required to be reported in the management letter (see AG Rule Section 10.656(3)(e)).
- (b). CareerSource Florida, Inc. performed a reconciliation of its financial records to the Subrecipient Enterprise Resource Application (SERA) maintained by the Florida Department of Commerce in a satisfactory matter for the year ended June 30, 2025.