

CAREERSOURCE PALM BEACH COUNTY, INC.
FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024
(with summarized functional expenses for the fiscal year ended June 30, 2024)

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INDEPENDENT AUDITOR'S REPORT

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

To the Board of Directors of
CareerSource Palm Beach County, Inc.
West Palm Beach, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of CareerSource Palm Beach County, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 10, 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,

Other Reporting Required by *Government Auditing Standards* (continued)

and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Moss, Krusick & Associates, LLC

Winter Park, Florida
December 10, 2025

CAREERSOURCE PALM BEACH COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

| | ASSETS | 2025 | 2024 |
|---|----------------------------|----------------------------|-------------|
| Current assets: | | | |
| Cash and cash equivalents | \$ 2,058,546 | \$ 2,033,039 | |
| Grants receivable | 389,099 | 718,089 | |
| Other receivables | 985 | 4,003 | |
| Prepaid expenses and other current assets | <u>173,703</u> | <u>267,657</u> | |
| Total current assets | 2,622,333 | 3,022,788 | |
| Property and equipment, net of accumulated depreciation | 112,018 | 142,583 | |
| Operating lease right-of-use asset | <u>2,079,372</u> | <u>2,665,145</u> | |
| Total assets | <u>\$ 4,813,723</u> | <u>\$ 5,830,516</u> | |
| LIABILITIES AND NET ASSETS | | | |
| Current liabilities: | | | |
| Accounts payable and accrued expenses | \$ 540,029 | \$ 490,411 | |
| Operating lease liability | 599,043 | 550,582 | |
| Grant advances | <u>779,508</u> | <u>1,123,236</u> | |
| Total current liabilities | 1,918,580 | 2,164,229 | |
| Non-current operating lease liability | <u>1,597,594</u> | <u>2,196,637</u> | |
| Total liabilities | <u>3,516,174</u> | <u>4,360,866</u> | |
| Net assets without donor restrictions | <u>1,297,549</u> | <u>1,469,650</u> | |
| Total liabilities and net assets | <u>\$ 4,813,723</u> | <u>\$ 5,830,516</u> | |

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

CAREERSOURCE PALM BEACH COUNTY, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

| | Without Donor Restrictions | |
|--|-----------------------------------|---------------|
| | 2025 | 2024 |
| Support and revenues: | | |
| Federal grants | \$ 10,863,765 | \$ 12,519,944 |
| Private grants | 24,505 | 11,994 |
| Other income | 81,534 | 78,982 |
| Investment earnings | 31,897 | 37,621 |
| | <hr/> | <hr/> |
| Total support and revenues | <hr/> | <hr/> |
| | 11,001,701 | 12,648,541 |
| Expenses: | | |
| Direct program - training, retraining and readjustment | 10,225,591 | 11,408,685 |
| General and administrative | 948,211 | 1,198,074 |
| | <hr/> | <hr/> |
| Total expenses | <hr/> | <hr/> |
| | 11,173,802 | 12,606,759 |
| | <hr/> | <hr/> |
| Change in net assets | (172,101) | 41,782 |
| | <hr/> | <hr/> |
| Net assets, beginning of year | 1,469,650 | 1,427,868 |
| Net assets, end of year | <hr/> | <hr/> |
| | \$ 1,297,549 | \$ 1,469,650 |

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

CAREERSOURCE PALM BEACH COUNTY, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

| | 2025 | 2024 |
|--|---------------------|---------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (172,101) | \$ 41,782 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 54,568 | 60,170 |
| Non-cash rent | 35,191 | 26,868 |
| Change in operating assets and liabilities: | | |
| (Increase)/Decrease in: | | |
| Grants and other receivables | 332,008 | (434,969) |
| Prepaid expenses and other current assets | 93,954 | (27,090) |
| Increase/(Decrease) in: | | |
| Accounts payable and accrued expenses | 49,618 | (98,094) |
| Grant advances | <u>(343,728)</u> | <u>490,261</u> |
| Net cash provided by operating activities | 49,510 | 58,928 |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | <u>(24,003)</u> | <u>(103,689)</u> |
| Net cash used in investing activities | (24,003) | (103,689) |
| Net increase (decrease) in cash and cash equivalents | 25,507 | (44,761) |
| Cash and cash equivalents, beginning of year | 2,033,039 | 2,077,800 |
| Cash and cash equivalents, end of year | \$ 2,058,546 | \$ 2,033,039 |

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

CAREERSOURCE PALM BEACH COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025
 (with summarized financial information for the fiscal year ended June 30, 2024)

| | 2025 | | | 2024 |
|--|--|-----------------------------------|---------------------------|---------------------------|
| | Workforce Employment Services | General and Management | Total Expenses | Total Expenses |
| Leased employee expenses | \$ 6,769,733 | \$ 750,782 | \$ 7,520,515 | \$ 8,469,695 |
| Specific assistance to individuals | 1,520,251 | - | 1,520,251 | 1,975,625 |
| Occupancy | 724,763 | 27,120 | 751,883 | 721,624 |
| Equipment rental and maintenance | 526,889 | 58,417 | 585,306 | 479,792 |
| Telephone | 114,552 | 5,542 | 120,094 | 137,848 |
| Insurance | 118,246 | - | 118,246 | 124,721 |
| Accounting and monitoring fees | 25,702 | 70,159 | 95,861 | 117,370 |
| Travel | 85,014 | 1,804 | 86,818 | 94,701 |
| Supplies, including non-capitalized | 60,890 | 4,590 | 65,480 | 62,211 |
| Consulting fees | 46,950 | - | 46,950 | - |
| Conferences, conventions, and meetings | 40,803 | 2,969 | 43,772 | 55,135 |
| Contractual service | 37,705 | 4,436 | 42,141 | 48,012 |
| Outreach services | 35,966 | - | 35,966 | 78,394 |
| Memberships and dues | 22,762 | 668 | 23,430 | 29,385 |
| Non federal expenses | 23,182 | - | 23,182 | 38,098 |
| Miscellaneous | 4,775 | 11,947 | 16,722 | 55,600 |
| Legal fees | 3,030 | 8,019 | 11,049 | 3,605 |
| Postage and shipping | 6,688 | 956 | 7,644 | 8,386 |
| Printing and publications | 2,657 | 473 | 3,130 | 14,041 |
| Books and subscriptions | 465 | 329 | 794 | 10,074 |
| Temporary staff | - | - | - | 22,272 |
| Total expenses before depreciation | 10,171,023 | 948,211 | 11,119,234 | 12,546,589 |
| Depreciation | 54,568 | - | 54,568 | 60,170 |
| Total expenses | \$ 10,225,591 | \$ 948,211 | \$ 11,173,802 | \$ 12,606,759 |

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

FINANCIAL STATEMENTS

CAREERSOURCE PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – NATURE OF THE ORGANIZATION

CareerSource Palm Beach County, Inc., (the “Organization”), was established in 1996 as a private nonprofit 501(c)(3) Florida corporation. The Organization operates programs which are funded by awards and grants, in Palm Beach County, Florida, and has been designated by the Palm Beach County Board of Commissioners as the County’s grant recipient for federal employment and training grants.

The Organization oversees the planning and implementation of workforce development and welfare transition programs for Palm Beach County. The overall goal of the Organization is to provide employers and job seekers with innovative and comprehensive services that will lead to both business and individual success.

The Organization’s Board of Directors is comprised of volunteer and mandated members that represent varied interests in Palm Beach County. A staff of approximately 85 employees (including Florida Department of Commerce personnel) carry out the mission and responsibilities of the Board of Directors, by managing the award and grant programs.

The majority of the grant programs are funded by both the Workforce Innovation and Opportunity Act (“WIOA”), administered by the U.S. Department of Labor, and the Welfare Transition Program (“WTP”), administered by the U.S. Department of Health and Human Services (“DHHS”) which are passed-through to the Organization through the Florida Department of Commerce. These programs are created to provide worker training and employment services through the operations of the national “one-stop” system.

The Organization is the grant recipient for the following grants in Palm Beach County, Region 21:

Workforce Innovation and Opportunity Act (WIOA)

WIOA programs are developed, promoted, and implemented to prepare economically disadvantaged youth and adults, and other individuals in need of training, for successful entry into and retention in the labor force. The programs’ goals are to develop jobs and match individuals enrolled in the program with suitable job openings.

Welfare Transition Program (WTP)

WTP is a temporary assistance program that requires participants to work first, and eventually eliminate their entitlements to assistance benefits. The program emphasizes work, self-sufficiency, and personal responsibility.

Wagner-Peyser

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

Disabled Veterans Outreach Program (DVOP)

The DVOP program is designed to develop jobs and job training opportunities for disabled and other veterans and to provide outreach to veterans through all community agencies and organizations.

CAREERSOURCE PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – NATURE OF THE ORGANIZATION (continued)

Local Veterans Employment Representative Program (LVER)

The LVER program provides job development, placement and support services directly to veterans.

Unemployment Insurance (UI)

The UI grant provides funds to administer the program of unemployment insurance for eligible workers through Federal and State cooperation.

Supplemental Nutrition Assistance Program (SNAP)

SNAP programs provide matching grants for administrative operating costs of the Supplemental Nutrition Assistance Program.

Trade Adjustment Assistance (TAA)

The TAA grant provides funding for the individuals who have lost jobs due to the export of those jobs.

Non-Custodial Parent Employment Program (NCPEP)

The NCEPEP program provides vocational training and job placement assistance services to veterans, youth, and other individuals who may otherwise face barriers to employment.

The Organization has career centers in West Palm Beach, Delray Beach, and Belle Glade, Florida. Services are provided to help area businesses stay competitive through training grants and talent acquisition, and to help job seekers find new jobs through career assessments, training and employment assistance.

The Palm Beach Workforce Development Consortium ("PBWDC"), a special district governmental entity, provides the personnel and acts as the employer of record for the Organization's staff.

The following is a schedule of expenditures for the various employment programs for the year ended June 30, 2025:

| | |
|---|---------------|
| Workforce Innovation and Opportunity Act | \$ 5,628,768 |
| Welfare Transition | 2,471,239 |
| Wagner-Peyser | 1,022,880 |
| Unemployment Insurance | 955,166 |
| Supplemental Nutrition Assistance Program | 325,803 |
| Veterans' Programs | 368,820 |
| Non-Custodial Parent Employment Program | 76,146 |
| Trade Adjustment Assistance | 14,943 |
| | <hr/> |
| | \$ 10,863,765 |

CAREERSOURCE PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization has adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities – Presentation of Financial Statements*. Under this standard, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Organization has no assets with donor restrictions at June 30, 2025.

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

All assets and liabilities associated with the operation of the Organization are included on the statement of financial position. The costs of providing the various programs and other activities have been summarized in the statement of activities.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the fiscal year ended June 30, 2024, from which the summarized information was derived.

Cash Equivalents – For purposes of the statement of cash flows, the Organization considers cash on hand and demand deposits as cash. As of June 30, 2025, the Organization had no cash equivalents.

Revenue Recognition – Government grant revenues are associated with cost-reimbursement contracts and are earned and recognized as revenue as allowable grant costs are incurred. Grant advances consist of revenue not yet recognized because allowable grant costs have not yet been incurred, although related cash has been received. The Organization recognizes grants, contracts and contributions of cash or other assets as restricted support if they are received with grantor or donor stipulations that limit the use of the donated assets. Net assets with donor restrictions expire when a stipulated time restriction ends or the purpose restriction is accomplished. There was no restricted support received in 2025.

CAREERSOURCE PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue (“Code”) and from state income taxes under similar provisions of the Florida Income Tax Code. Furthermore, it has been determined that the Organization is not a private foundation. Any unrelated business income, as defined by the Code is subject to income taxes. Accounting principles generally accepted in the United States of America require the Organization’s management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (“IRS”). Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2025, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

Concentration of Credit Risk – The Organization places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (“FDIC”) covers \$250,000 for substantially all depository accounts.

During the year, the Organization from time to time may have had amounts on deposit in excess of the insured limits. As of year-end, the Organization had a balance of approximately \$1,780,081 on deposit in excess of insured amounts. Management believes the associated risk is minimized by placing such assets with quality financial institutions. The Organization has not experienced any losses on such accounts.

Joint and indirect cost allocation – Joint costs that benefit multiple programs, are prorated individually to programs, using a base that accurately measures the benefits provided. Joint facility costs are allocated to the appropriate programs using labor hours and full-time equivalent numbers of employees that work within each program. Other joint costs are allocated to programs based on the number of participants served by each program, or other applicable statistics.

Indirect costs, shared costs that benefit all programs, are both administrative and programmatic in nature. These costs are charged to all programs through application of the indirect cost rate, which is applied to the modified total direct costs for each individual program. The Organization has a negotiated cost rate agreement with the Florida Department of Commerce. The provisional indirect cost rate for the year ended June 30, 2025 was 18.12%.

CAREERSOURCE PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expenses – The costs of providing the various programs are summarized as program services in the statement of activities. Payroll and other expenses associated with programs are charged directly to program services. General and administrative expenses represent indirect costs of administering programs.

The expenses that are allocated include the following:

| Expense | Method of allocation |
|--|---|
| Specific assistance to individuals | Direct charge to programs |
| Leased employee expenses | Direct charge to programs and indirect based on staff activities |
| Accounting and monitoring fees | Accounting is a direct charge to indirect/monitoring is a direct charge to both programs and indirect based on the activities performed |
| Legal fees | Direct charge to indirect |
| Consulting fees | Direct charge to applicable programs |
| Supplies, including non-capitalized | Direct charge based on the items purchased |
| Books and subscriptions | Direct charge to programs and indirect based on items purchased |
| Telephone | Direct charge to programs and indirect based on staff activities |
| Postage and shipping | Direct charge to programs and indirect based on items sent |
| Occupancy | Allocated based on staff labor hours |
| Equipment rental and maintenance | Allocated based on staff labor hours |
| Printing and publications | Direct charge based on the purpose of printing/publications |
| Travel | Direct charge to applicable programs/staff |
| Conferences, conventions, and meetings | Direct charge to applicable programs/staff |
| Outreach services | Direct charge based on the purpose of outreach |
| Contractual service | Allocated based on staff labor hours |
| Insurance | Allocated based on staff labor hours |
| Memberships and dues | Direct charge based on the individual membership |
| Miscellaneous | Direct charge based on the item |
| Non federal expenses | Direct charge to programs |
| Depreciation (Note 6) | Direct charge to programs |

Property and Equipment – Property and equipment is stated at cost and defined by the Organization with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the shorter of the estimated useful life or the term of the lease.

| | Years |
|-----------------------------------|--|
| Data processing equipment | 3 - 5 |
| Furniture, fixtures and equipment | 3 - 5 |
| Vehicles | 5 |
| Leasehold improvements | lesser of term of lease or estimated useful life |

Property acquired with government funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs; however, its disposition, as well as the ownership of any proceeds from the sale of the assets therefrom, is subject to applicable regulations.

CAREERSOURCE PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases – The Organization determines if an arrangement is or includes a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under ASU 2016-02, *Leases* (Topic 842), a contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

Practical expedients and policy elections are available under the guidance, which was effective at adoption. The Organization elected the package of practical expedients permitted under the transition guidance which did not require reassessment of whether contracts entered into prior to adoption are or contain a lease, and allowed carry forward of the historical lease classification for existing leases.

The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. For all other leases, the Organization recognizes right-of-use (ROU) asset and lease liabilities based on the present value of lease payments over the lease term at the commencement date of the lease (or January 1, 2022 for existing leases upon the adoption of Topic 842). The Organization has also elected to use the risk-free discount rate for its leases. The risk-free discount rates were obtained using U.S. Treasury securities as posted on the Federal Reserve website.

The Organization made an accounting policy election to account for each separate lease component and the non-lease components associated with that lease component as a single lease component. Non-lease components that are variable in nature are recorded in variable lease expense in the period incurred.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2025, reduced by amounts not available for general use within one year as of June 30, 2025:

| Financial assets at year end: | |
|---|--------------|
| Cash and cash equivalents | \$ 2,058,546 |
| Grants receivable | 389,099 |
| Other receivable | 985 |
| | <hr/> |
| Financial assets available to meet general expenditures over the next twelve months | \$ 2,448,630 |

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

CAREERSOURCE PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 4 – GRANTS RECEIVABLE

Grants receivable consist of the following due in less than one year as of June 30, 2025:

| Program | Amount |
|---|-------------------|
| WIOA Youth | \$ 232,995 |
| Supplemental Nutrition Assistance Program | 69,203 |
| Wagner-Peyser | 56,595 |
| Veterans' Programs | 20,306 |
| Intern PB | 10,000 |
| Total grants receivable | \$ 389,099 |

NOTE 5 – GRANT ADVANCES

Grant advances represent the excess of grant funds received over allowable costs incurred. Grant advances as of June 30, 2025 consist of the following:

| Program | Amount |
|---|-------------------|
| WIOA Youth | \$ 303,942 |
| WIOA Adult | 258,007 |
| Welfare Transition | 129,176 |
| Unemployment Insurance | 71,285 |
| Veterans' Programs | 13,144 |
| Non-custodial Parent Employment Program | 3,954 |
| Total grant advances | \$ 779,508 |

CAREERSOURCE PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2025 consists of the following:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|---|----------------------|--------------------|-----------------|-------------------|
| <u>Business type activities</u> | | | | |
| Capital assets being depreciated | | | | |
| Data processing equipment | \$ 303,942 | \$ 18,108 | \$ - | \$ 322,050 |
| Furniture, fixtures and equipment | 160,198 | - | (12,148) | 148,050 |
| Leasehold improvements | 282,942 | 5,895 | (8,800) | 280,037 |
| Vehicles | 23,402 | - | - | 23,402 |
| Total capital assets, being depreciated | <u>770,484</u> | <u>24,003</u> | <u>(20,948)</u> | <u>773,539</u> |
| Less accumulated depreciation for: | | | | |
| Data processing equipment | 161,359 | 52,849 | - | 214,208 |
| Furniture, fixtures and equipment | 160,198 | - | (12,148) | 148,050 |
| Leasehold improvements | 282,942 | 1,719 | (8,800) | 275,861 |
| Vehicles | 23,402 | - | - | 23,402 |
| Total accumulated depreciation | <u>627,901</u> | <u>54,568</u> | <u>(20,948)</u> | <u>661,521</u> |
| Total capital assets, net | <u>\$ 142,583</u> | <u>\$ (30,565)</u> | <u>\$ -</u> | <u>\$ 112,018</u> |

CAREERSOURCE PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 7 – LEASE OBLIGATIONS

The Organization is party to two building operating leases, which are required to be included on the statement of financial position under ASC 842.

As of June 30, 2025, the right of use (ROU) asset had a balance of \$2,079,372 as shown in noncurrent assets on the statement of financial position; the lease liability is included in current liabilities (\$559,043) and long-term liabilities (\$1,597,594). The lease asset and liability were calculated utilizing the risk-free discount rate (4.46%), according to the Organization's elected policy. The operating leases have a remaining life of four years.

Additional information about the Organization's leases are as follows:

Lease Costs (included in occupancy):

| | |
|----------------------|-------------------|
| Operating lease cost | \$ 697,166 |
| Total lease cost | <u>\$ 697,166</u> |

Other information:

Cash paid for amounts included in measuring operating lease liabilities:

| | |
|---|-------------------|
| Operating cash flows from operating leases | \$ 661,975 |
| Total cash paid for amounts included in measuring operating lease liabilities | <u>\$ 661,975</u> |

| | |
|---|--------|
| Weighted-average remaining lease term (years) | 3.41 |
| Weighted-average discount rate | 4.460% |

The difference between rent expense and rent paid is non-cash rent.

Maturities of operating lease liabilities as of June 30, 2025:

| | |
|----------------------------------|---------------------|
| Year ending June 30: | |
| 2026 | 684,984 |
| 2027 | 697,954 |
| 2028 | 706,026 |
| 2029 | <u>284,239</u> |
| Total lease payments | 2,373,203 |
| Less: interest | <u>(176,566)</u> |
| Present value of lease liability | <u>\$ 2,196,637</u> |

CAREERSOURCE PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 8 – CONCENTRATIONS

The Organization receives predominately all of its support from federal grants passed through the Florida Department of Commerce. A significant reduction in the level of this support, if it were to occur, may have a significant detrimental effect on the Organization's services and activities.

NOTE 9 – CONTINGENCIES

Federal Grants and Questionable Costs

The Organization is subject to state and federal audit examination to determine compliance with grant requirements. In the event that expenditures would be disallowed, repayment could be required.

Litigation

At times, the Organization is party to various claims and legal actions arising in the ordinary course of business. Management does not believe that the outcome of such claims and legal actions will have a material adverse effect on the financial position or results of operations of the Organization.

Tax Return

The Organization's federal Return of Organization Exempt from Income Tax (Form 990) for the years ended June 30, 2022, 2023 and 2024 are subject to examination by the IRS.

NOTE 10 – RECONCILIATION OF FINANCIAL RECORDS TO THE SUBRECIPIENT ENTERPRISE RESOURCE APPLICATION (SERA)

The grant expenditures reported in SERA, an online financial monitoring tool provided by the Department of Commerce of the State of Florida are reconciled to the Organization's financial records monthly. Differences between the SERA amounts and the Organization's financial reporting system occur frequently due to differences in the timing of expense recognition and policies regarding the reporting of program income.

NOTE 11 – RELATED PARTY TRANSACTIONS

PBWDC provides personnel and acts as the employer of record for the staff of the Organization. During the year ended June 30, 2025, the Organization incurred costs of approximately \$7,520,000 to PBWDC for leased employee expenses, including fringe benefits, retirement plan contributions and related professional fees. At June 30, 2025, the Organization owed approximately \$306,000 to PBWDC for leased employee expenses, including fringe benefits, currently funded required retirement plan contributions and related professional fees which are included in accrued expenses in the accompanying statement of financial position.

CAREERSOURCE PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 11 – RELATED PARTY TRANSACTIONS (continued)

PBWDC participates in the State of Florida Retirement System (“FRS”). As in prior years, the Organization has paid PBWDC all of its required contributions to the plan as required under Florida Statutes. Provisions relating to the FRS are established by Florida Statutes; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost- sharing, multiple-employer defined benefit plans and other nonintegrated programs.

From time to time, the Organization enters into contracts for program services with other organizations related through common board members. It is the Organization’s policy that such contracts be approved by the Board of Directors with the common board member abstaining from deliberations. These contracts are also approved by the Florida Department of Commerce. During the year ended June 30, 2025, the Organization incurred approximately \$22,000 in expenses under these contracts.

At September 30, 2024, the most recent year available, PBWDC has recognized a long-term liability of \$6,073,395 representing its allocated portion of the FRS’s net pension liability. Such liability is ultimately funded by the Organization through the statutorily and contractually required annual funding rates established by the State of Florida for PBWDC. Other key information from the September 30, 2024 audit report are summarized as follows:

| <u>9/30/2024</u> | |
|---|---------------|
| Government-wide financial statements | |
| Total assets | \$ 562,222 |
| Total deferred outflows of resources | 1,259,886 |
| Total liabilities | 6,652,923 |
| Total deferred inflows of resources | 1,582,957 |
| Total net position | (6,413,772) |
| Total revenues | 8,211,329 |
| Total expenses | 7,970,837 |
| Change in net position | 240,492 |
| Fund financial statements | |
| Total assets | \$ 562,222 |
| Total liabilities | 304,850 |
| Total fund balance | 257,372 |
| Total revenues | 8,211,329 |
| Total expenditures | 8,238,955 |
| Change in fund balance | (27,626) |

CAREERSOURCE PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 12 – RENTAL INCOME

The Organization subleases a portion of its Belle Glade office to politician Lori Berman. The agreement started in February 2023 and is scheduled to terminate in November 2026.

Rental income for the year ended June 30, 2025 was \$7,200, and was included in other income on the statement of activities. Future rental income as of June 30 is as follows:

| Year ending June 30: | |
|----------------------|------------------|
| 2026 | 7,200 |
| 2027 | 3,000 |
| Total rental income | <u>\$ 10,200</u> |

NOTE 13 – SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to June 30, 2025 as of December 10, 2025, which is the date the financial statements were available to be issued. No material events have occurred since June 30, 2025 that require recognition in the financial statements.

SUPPLEMENTARY INFORMATION

CAREERSOURCE PALM BEACH COUNTY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2025

| Grantor/Pass-Through Grantor/Program Title | Award Identification Number | ALN / CSFA | Contract Period | Total Expenditures |
|---|-----------------------------|------------|-------------------|-------------------------|
| FEDERAL AWARDS | | | | |
| U.S. Department of Labor: | | | | |
| Passed-through: | | | | |
| Florida Department of Commerce | | | | |
| Workforce Innovation and Opportunity Act (WIOA) Cluster: | | | | |
| Adult Program | 23A55AT00009 | 17.258 | 07/01/23-06/30/25 | \$ 1,805,569 |
| Adult Program | 24A55AT000058 | 17.258 | 07/01/24-06/30/26 | 16,974 |
| Youth Activities | 24A55AY0000703 | 17.259 | 04/01/24-06/30/26 | 1,204,088 |
| Youth Activities | 25A55AY000112 | 17.259 | 04/01/25-06/30/27 | 232,994 |
| SFY24-25 Supplemental WIOA | 24A55AY0000703 | 17.259 | 07/01/24-06/30/26 | 90,219 |
| Dislocated Worker Program | 24A55AW000057 | 17.278 | 07/01/24-06/30/26 | 1,464,358 |
| Rapid Response | 24A55AW000057 | 17.278 | 07/01/24-06/30/25 | 191,339 |
| Get There Faster Veterans and Military Spouses | AA385232255A12 | 17.258 | 10/01/22-06/30/25 | 107,187 |
| Get There Faster Veterans and Military Spouses | 23A55AT00009 | 17.258 | 07/01/24-06/30/25 | 62,025 |
| Get There Faster Veterans and Military Spouses | AA385232255A12 | 17.259 | 10/01/22-06/30/25 | 103,939 |
| Get There Faster Veterans and Military Spouses | 23A55AY00003 | 17.259 | 07/01/24-06/30/25 | 60,146 |
| Get There Faster Veterans and Military Spouses | AA385232255A12 | 17.278 | 10/01/22-06/30/25 | 113,683 |
| Get There Faster Veterans and Military Spouses | 23A55AW000012 | 17.278 | 07/01/24-06/30/25 | 65,785 |
| Hope FL-WIOA | 23A55AT00009 | 17.258 | 07/01/23-06/30/25 | 36,453 |
| Hope FL-WIOA | 23A55AY00003 | 17.259 | 07/01/23-06/30/25 | 35,348 |
| Hope FL-WIOA | 23A55AW000012 | 17.278 | 07/01/23-06/30/25 | 38,661 |
| Total WIOA Cluster | | | | <u>5,628,768</u> |
| Employment Services Cluster: | | | | |
| Wagner-Peyser | 23A55WP000018 | 17.207 | 07/01/23-09/30/24 | 109,997 |
| Wagner-Peyser | 24A55WP000080 | 17.207 | 07/01/24-09/30/25 | 707,290 |
| Wagner-Peyser/Apprenticeship Navigator | ES367482155A12 | 17.207 | 07/01/23-06/30/25 | 11,292 |
| Wagner-Peyser/Apprenticeship Navigator | 24A55WP000080 | 17.207 | 07/01/24-09/30/25 | 80,000 |
| Wagner-Peyser/Hope FL | 23A55WP000018 | 17.207 | 07/01/23-06/30/25 | 42,872 |
| Wagner-Peyser/Hope FL | 24A55WP000080 | 17.207 | 07/01/24-06/30/25 | 71,429 |
| Veterans Incentives | 24555DV000065 | 17.801 | 09/16/24-09/30/24 | 25,000 |
| Consolidated DVOP - LVER | 24555DV000065 | 17.801 | 10/01/23-12/31/25 | 16,228 |
| Consolidated DVOP - LVER | 25555DV000157 | 17.801 | 10/01/24-09/30/25 | 25,261 |
| Disabled Veterans' Outreach Program | 24555DV000065 | 17.801 | 10/01/23-12/31/25 | 55,961 |
| Disabled Veterans' Outreach Program | 25555DV000157 | 17.801 | 10/01/24-09/30/25 | 163,984 |
| Local Veterans' Employment Representative Program | 24555DV000065 | 17.801 | 10/01/23-12/31/25 | 30,778 |
| Local Veterans' Employment Representative Program | 25555DV000157 | 17.801 | 10/01/24-09/30/25 | 51,608 |
| Total Employment Services Cluster | | | | <u>1,391,700</u> |
| Unemployment Insurance | | | | |
| Reemployment and Eligibility Assessments | 24A60UR000069 | 17.225 | 01/01/24-9/30/25 | 349,115 |
| Reemployment and Eligibility Assessments | 23A60UR000036 | 17.225 | 01/01/24-9/30/25 | 606,051 |
| Total Unemployment Insurance | | | | <u>955,166</u> |
| Trade Adjustment Assistance - Case Management | TA386732255A12 | 17.245 | 10/01/23-09/30/24 | <u>14,943</u> |
| Total U.S. Department of Labor | | | | <u>7,990,577</u> |
| U.S. Department of Health and Human Services | | | | |
| Passed-through: | | | | |
| Florida Department of Commerce | | | | |
| Temporary Assistance for Needy Families (TANF) | | | | |
| Welfare Transition Program | G2401FLTANF | 93.558 | 10/01/23-08/31/24 | 465,815 |
| Welfare Transition Program | G2401FLTANF | 93.558 | 07/1/24-11/30/24 | 602,220 |
| Welfare Transition Program | G2501FLTANF | 93.558 | 10/01/24-08/31/25 | 1,403,204 |
| Total TANF | | | | <u>2,471,239</u> |
| Total U.S. Department of Health and Human Services | | | | <u>2,471,239</u> |

See independent auditor's report.

CAREERSOURCE PALM BEACH COUNTY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2025

| Grantor/Pass-Through Grantor/Program Title | Award Identification Number | ALN / CSFA | Contract Period | Total Expenditures |
|--|-----------------------------|------------|-------------------|-----------------------------|
| U.S. Department of Agriculture | | | | |
| Passed-through: | | | | |
| Florida Department of Commerce | | | | |
| Supplemental Nutrition Assistance Program (SNAP) | | | | |
| SNAP | 255FL412Q7503 | 10.561 | 10/01/24-09/30/25 | 290,810 |
| SNAP | 235FL412Q7503 | 10.561 | 10/01/23-09/30/24 | 34,993 |
| Total SNAP | | | | <u>325,803</u> |
| Total U.S. Department of Agriculture | | | | <u>325,803</u> |
| TOTAL EXPENDITURE OF FEDERAL AWARDS | | | | <u>\$ 10,787,619</u> |
| STATE FINANCIAL ASSISTANCE | | | | |
| Florida Department of Commerce | | | | |
| Non-Custodial Parent Employment Program | KEE2CVK8TVV7 | 40.037 | 07/1/24-06/30/25 | <u>76,146</u> |
| TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE | | | | <u>\$ 76,146</u> |
| TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE | | | | <u>\$ 10,863,765</u> |

See independent auditor's report.

CAREERSOURCE PALM BEACH COUNTY, INC.

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

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 grant activity of CareerSource Palm Beach County, Inc., (the “Organization”), under programs of the federal and state government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

All of the Organization’s federal awards and state projects were in the form of cash assistance for the year ended June 30, 2025.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

The Organization did not elect to use the 10 percent *de minimis* indirect cost rate. The provisional indirect cost rate for the year ended June 30, 2025 was 18.12%.

OTHER REPORTS

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

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

To the Board of Directors of
CareerSource Palm Beach County, Inc.
West Palm Beach, 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 CareerSource Palm Beach County, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect

Report on Compliance and Other Matters (continued)

on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
December 10, 2025



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

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

To the Board of Directors of
CareerSource Palm Beach County, Inc.
West Palm Beach, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited CareerSource Palm Beach County, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

Report on Internal Control Over Compliance (continued)

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

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
December 10, 2025

CAREERSOURCE PALM BEACH COUNTY, INC.

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

JUNE 30, 2025

Part I – Summary of Auditor’s Results

Financial Statements

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

Federal Awards

| | |
|--|---------------|
| Type of auditor’s report issued on compliance for major programs: | Unmodified |
| Internal control over major programs: | |
| Material weakness(es) identified? | No |
| Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No |
| Dollar threshold used to distinguish between Type A and Type B programs | \$750,000 |
| Auditee qualified as low-risk auditee? | Yes |
| Identification of major federal programs: | |
| <u>Name of Federal Program</u> | <u>ALN</u> |
| Employment Services Cluster | 17.207/17.801 |
| Reemployment Services and Eligibility Assessments (RESEA) | 17.225 |
| Supplemental Nutrition Assistance Program | 10.561 |

Part II – Financial Statement Findings

None (no corrective action plan issued)

Part III – Federal Award Findings and Questioned Costs

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

Part IV – Status of Prior Year Audit Findings

There were no prior year audit findings.

MANAGEMENT LETTER

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

To the Board of Directors of
CareerSource Palm Beach County, Inc.
West Palm Beach, Florida

Report on the Financial Statements

We have audited the financial statements of CareerSource Palm Beach County, Inc. (the "Organization") as of and for the year ended June 30, 2025, and have issued our report thereon dated December 10, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Florida Department of Commerce's Audit and Audit Resolution Responsibilities (AWI FG 05-019) issued August 12, 2005.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 10, 2025, should be considered in conjunction with this management letter.

Prior Year Findings:

There were no reportable findings in the prior year.

Current Year Findings:

There were no reportable findings in the current year.

Conclusion

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
December 10, 2025