

**CHIPOLA REGIONAL
WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA**

FINANCIAL STATEMENTS

JUNE 30, 2025

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
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JUNE 30, 2025**

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INDEPENDENT AUDITORS' REPORT

To CareerSource Chipola Board of Directors,
Chipola Regional Workforce Development Board, Inc.
d/b/a CareerSource Chipola:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of Chipola Regional Workforce Development Board, Inc., d/b/a CareerSource Chipola (CareerSource Chipola) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise CareerSource Chipola's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of CareerSource Chipola, as of June 30, 2025, and the respective changes in financial position thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CareerSource Chipola 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.

Financial Statements Restated

As discussed in note (12) the financial statements, the June 30, 2024, financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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 CareerSource Chipola's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility 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 auditors' 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 GAAS and GAS 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 GAAS and GAS, 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 CareerSource Chipola'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 CareerSource Chipola'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.

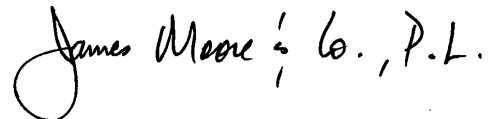
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CareerSource Chipola's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards 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 audit 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 is fairly stated, in all material respects, in relation to the basic 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 March 31, 2026, on our consideration of CareerSource Chipola's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 CareerSource Chipola's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Daytona Beach, Florida
March 31, 2026

CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
MANAGEMENT’S DISCUSSION & ANALYSIS
JUNE 30, 2025

Management is pleased to offer the following assessment of the operations of Chipola Regional Workforce Development Board, Inc. d/b/a CareerSource Chipola (“CareerSource Chipola”) for the year ended June 30, 2025.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to CareerSource Chipola’s basic financial statements. CareerSource Chipola’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of CareerSource Chipola’s finances in a manner similar to a private sector business. The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities.

The *statement of net position* presents information on all of CareerSource Chipola’s assets and liabilities, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of CareerSource Chipola is improving or deteriorating.

The *statement of activities* presents information showing how CareerSource Chipola’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The location of the basic government-wide financial statements can be found in the table of contents.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. CareerSource Chipola uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. CareerSource Chipola maintains one governmental fund, which is the general fund.

CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2025
(Continued)

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be used in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The location of the basic governmental fund financial statements can be found in the table of contents in this report.

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. The location of the notes to the financial statements can be found in the table of contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents a Schedule of Expenditures of Federal Awards. This schedule lists all Federal grants awarded to CareerSource Chipola and the related expenditures for the fiscal year ended June 30, 2025. The location of the Schedule of Expenditures of Federal Awards can be found in the table of contents.

Government-wide Financial Analysis *Condensed financial information* - As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

	Condensed Statements of Net Position	
	2025	2024 (Restated)
Current assets	\$ 1,010,835	\$ 1,007,606
Capital assets, net	226,531	321,645
Total assets	1,237,366	1,329,251
Current liabilities	83,124	169,013
Noncurrent liabilities	557,532	637,504
Total liabilities	640,656	806,517
Net investment in capital assets	(22,366)	(17,805)
Unrestricted	619,354	540,539
Net position	\$ 596,710	\$ 522,734

CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2025
(Continued)

At the end of each fiscal year above, CareerSource Chipola is able to report a positive balance in net position.

	Condensed Statement of Activities	
	2025	2024 (Restated)
Program revenues:		
Charges for services, operating grants and contributions	\$ 1,670,839	\$ 2,046,393
General revenues:		
Other	54,378	17,746
Total revenues	<u>1,725,217</u>	<u>2,064,139</u>
Expenses:		
Training, retraining and readjustment	<u>1,651,241</u>	<u>1,965,394</u>
Change in net position	73,976	98,745
Net position, beginning of year	522,734	423,989
Net position, end of year	<u>\$ 596,710</u>	<u>\$ 522,734</u>

Financial Highlights

Governmental Activities. The assets of CareerSource Chipola exceeded its liabilities at June 30, 2025 by \$596,710. Changes in current assets and current liabilities compared to prior year are the result of the timing of grants receipts and related grant cash disbursements. Decreases in program revenues and related program expenses are the result of decreases in grant activity. Revenues exceed expenses for the Organization's non-Florida Commerce grants and donations, such as VOC Rehab and Better Health Better Pay, as well as increases in interest income, which contributed to the net profit for the year ending June 30, 2025.

General Fund. The General Fund receives its funding under cash advance and cost reimbursement contracts. If at the end of the fiscal year, an advance is not sufficient to cover applicable expenditures, a receivable is created. If an advance is in excess of applicable expenditures, a refundable advance is reported. Consequently, revenues will generally equal expenditures with a small profit due to charges for services not funded by grants. The fund balance represents amounts received prior to the Job Training Partnership Act (JTPA) from performance grants and other charges for services.

The increase in net position for Program Year 2025 was a result of revenues exceeding expenditures for the Organization's unrestricted contracts (for example, VOC Rehab and Better Health Better Pay) as well as increases in interest income.

CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2025
(Continued)

Capital Assets

Excluding right-to-use assets for leases under GASB Statement No. 87, *Leases*, CareerSource Chipola experienced a decrease in capital assets. Decreases in capital assets during the year ended June 30, 2025, were related to the depreciation of capital assets in the amount of \$6,519. The Organization had right-to-use assets for leases in the amount of \$210,084 net of accumulated amortization and lease liabilities in the amount of \$232,450 as of June 30, 2025.

Budgetary Highlights

CareerSource Chipola is not legally required to adopt a budget. As such, budgetary exhibits are not presented.

Debt Administration

The Organization's long-term debt is its accrual for compensated absences and lease liability. Please refer to the notes accompanying financial statements entitled *Long Term Debt* and *Leases* for more detailed information about long-term debt activity.

Economic Factors

84% of the Organization's revenues were generated from federal grants, most of which were passed through the State of Florida's Department of Commerce. Anything that could influence federal and state appropriations of these funds will have a direct impact on the Organization.

Request for Information

This report is designed to provide a general overview of CareerSource Chipola's finances for all those with an interest in CareerSource Chipola's finances. Questions concerning any of the information in this report or requests for additional information should be addressed as follows:

Chipola Regional Workforce Development Board, Inc.
d/b/a CareerSource Chipola
4636 Highway 90 East, Suite K
Marianna, Florida 32446

CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
<u>ASSETS</u>	
Current assets	
Cash and cash equivalents	\$ 414,757
Certificates of deposit	377,708
Grant, contract and other receivables	216,047
Prepays	2,323
Total current assets	1,010,835
Non-current assets	
Capital assets	
Furniture and equipment	206,774
Buildings - right-to-use assets	630,252
SBITAs - right-to-use assets	26,601
Less: Accumulated depreciation	(206,774)
Less: Accumulated amortization	(430,322)
Total non-current assets	226,531
Total Assets	\$ 1,237,366
<u>LIABILITIES AND NET POSITION</u>	
Current liabilities	
Accounts payable and accrued expenses	\$ 83,124
Total current liabilities	83,124
Non-current liabilities	
Due within one year:	
Compensated absences	16,954
Lease liability	113,037
SBITA liability	16,725
Due in more than one year:	
Compensated absences	291,403
Lease liability	119,413
Total noncurrent liabilities	557,532
Total Liabilities	\$ 640,656
Net Position	
Net investment in capital assets	\$ (22,644)
Unrestricted	619,354
Total Net Position	\$ 596,710

The accompanying notes to financial statements
are an integral part of this statement.

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<u>Functions and Programs</u>				
Governmental activities:				
Training, retraining and readjustment	\$ 1,651,241	\$ 36,000	\$ 1,670,839	\$ 55,598
Total governmental activities	\$ 1,651,241	\$ 36,000	\$ 1,670,839	55,598
			General revenues:	
			Interest	18,378
			Change in net position	73,976
			Net position , beginning of year, as previously presented	615,543
			Error correction	(92,809)
			Net position , beginning of year, as restated	522,734
			Net position , end of year	\$ 596,710

The accompanying notes to financial statements
are an integral part of this statement.

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
BALANCE SHEET — GOVERNMENTAL FUND
JUNE 30, 2025**

	General Fund
Assets	
Cash and cash equivalents	\$ 414,757
Certificates of deposit	377,708
Grant, contract, and other receivables	216,047
Prepays	2,323
Total Assets	\$ 1,010,835
Liabilities	
Accounts payable and accrued expenses	\$ 83,124
Total Liabilities	83,124
Fund Balance	
Nonspendable	
Prepays	2,323
Unassigned	925,388
Total Fund Balance	927,711
Total Liabilities and Fund Balance	\$ 1,010,835

The accompanying notes to financial statements
are an integral part of this statement.

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
RECONCILIATION OF THE BALANCE SHEET — GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Fund balances - total governmental fund		\$ 927,711
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Total governmental capital assets	863,627	
Less: accumulated depreciation and amortization	<u>(637,096)</u>	226,531

Long-term liabilities, including compensated absences and lease liabilities that are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:

Lease liabilities	(232,450)	
SBITA liabilities	(16,725)	
Compensated absences	<u>(308,357)</u>	(557,532)

Net position of governmental activities		<u><u>\$ 596,710</u></u>
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The accompanying notes to financial statements
are an integral part of this statement.

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund
Revenues	
Grants and contracts	\$ 1,455,297
Opportunity Florida contract	215,542
Other	36,000
Interest	18,378
Total revenues	1,725,217
Expenditures	
Training, retraining and readjustment:	
Personnel and benefits	761,446
Professional fees	28,650
Direct program	434,239
Travel and training	15,922
Communication and utilities	99,142
Insurance	23,957
Printing and office supplies	14,477
Occupancy and short-term lease expense	15,720
Repairs and maintenance	3,434
Equipment	2,588
Licenses and software	74,870
Outreach	1,564
Dues and membership	4,224
Other	22,228
Capital outlay	26,601
Debt service:	
Principal	116,877
Interest	16,761
Total expenditures	1,662,700
Excess (deficiency) of revenues over expenditures	62,517
Other financing sources (uses)	
SBITA proceeds	26,601
Total other financing sources (uses)	26,601
Net change in fund balance	89,118
Net position , beginning of year, as previously presented	931,402
Error correction	(92,809)
Net position , beginning of year, as restated	838,593
Fund balance , end of year	\$ 927,711

The accompanying notes to financial statements
are an integral part of this statement.

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE — GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balance - Total Governmental Fund	\$	89,118
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.</p>		
Capital outlay expenditures		26,601
Amortization expense		(115,196)
Depreciation expense		(6,519)
<p>Loan and lease proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of loan and lease principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows:</p>		
Issuance of governmental long-term debt		(26,601)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Principal payments on lease liability		107,001
Principal payments on SBITA liability		9,876
Change in compensated absences		(10,304)
Change in net position of governmental activities:	\$	<u>73,976</u>

The accompanying notes to financial statements
are an integral part of this statement.

CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies of Chipola Regional Workforce Development Board, Inc. (CareerSource Chipola), which affect significant elements of the financial statements:

(a) **Reporting entity**—CareerSource Chipola is a nonprofit corporation established to provide for enhanced coordination, cooperation, and outcomes by and between the several entities, both public and private, which are involved at the local level in providing youth and adults with opportunities to develop and continuously upgrade their knowledge and skills in order to advance economically and socially throughout their lifetime, and in providing employers with the skilled workforce necessary to be competitive in local, state, national and/or international markets. CareerSource Chipola was created to fulfill the duties and responsibilities provided for by the Workforce Investment Act (WIA) of 1998-Title 1, superseded by the Workforce Innovation and Opportunity Act of 2014 (WIOA), and the State of Florida Workforce Innovation Act of 2000 for the Region 3 Local Workforce Investment Area comprised of Calhoun, Holmes, Jackson, Liberty and Washington counties. The governing authority of CareerSource Chipola is its Board of Directors.

The accounting policies adopted by the Board of Directors conform to accounting principles generally accepted in the United States of America as applied to not-for-profit organizations reporting using the governmental model. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of CareerSource Chipola. There were no entities that required inclusion as a component unit within CareerSource Chipola's financial statements.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of CareerSource Chipola. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. CareerSource Chipola has no business-type activities.

The Statement of Net Position reports CareerSource Chipola's financial position as of the end of the fiscal year. In this statement, CareerSource Chipola's net position are reported in two categories: investment in capital assets and unrestricted net position.

The Statement of Activities is displayed using a net-cost format and reports 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. Indirect costs are included in the program expense reported for individual functions and activities. Program revenues include (1) charges for services that are directly related to a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the general fund, which is CareerSource Chipola's only fund.

CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Measurement focus and basis of accounting**—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 the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, CareerSource Chipola considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CareerSource Chipola considers most revenues, such as reimbursement-based grant revenues and charges for service, to be susceptible to accrual and so they have been recognized as revenues in the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received. When both restricted and unrestricted resources are available for use, it is CareerSource Chipola’s policy to use restricted resources first, then unrestricted resources as they are needed.

Major Governmental Fund—The sole governmental fund used by CareerSource Chipola is the general fund, which is used to account for all financial activity of CareerSource Chipola.

(d) **Cash and cash equivalents**—Cash and cash equivalents of CareerSource Chipola are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(e) **Grants and other receivables**—Grants and other receivables consist of amounts due from grantor agencies for reimbursement of expenditures under various programs. Management has concluded that realization of losses on balance outstanding at year-end will be immaterial.

(f) **Capital assets and depreciation**—Capital assets are defined by CareerSource Chipola as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of the donation. 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. Depreciation of capital assets and amortization of right-to-use assets is computed using the straight-line method over estimated useful lives as follows:

Assets	Years
Leasehold improvements	30
Equipment	5–10
Vehicles	5
Right-to-use buildings	3–6

CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Unearned revenues**—Unearned revenues are comprised of amounts received from grantor agencies by CareerSource Chipola prior to meeting revenue recognition criteria. In subsequent periods, when the revenue recognition criteria have been met, the liability for unearned revenues is reduced and revenue is recognized.

(h) **Prepays and other assets**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepays in both the government-wide and fund financial statements.

(i) **Indirect costs**—CareerSource Chipola receives funds from several sources. Accordingly, indirect administrative and program support costs are allocated between the various programs in the following manner: Indirect administrative costs and indirect program support costs, including indirect salary costs, are charged to either an administrative or program cost pool and allocated to all programs including WTP, WIOA youth, WIOA adult, and WIOA dislocated workers contracts based on each program's direct program costs. Indirect occupancy costs are charged to a cost pool and allocated to all programs based on each program's direct program costs. Indirect occupancy costs are charged to various funding sources or indirect costs pools based on FTE's determined by bi-weekly personnel activity reports. The allocation ratios are determined based upon each program's percentage of total time charged by staff

(j) **Budgets**—The general expenditure authority of CareerSource Chipola, as provided by Sections 445.004 and 445.007 of the Florida Statutes, does not require a legally adopted budget placed into public law. Accordingly, the budgetary comparison schedules for governmental funds have not been presented as supplementary information required by the Governmental Accounting Standards Board.

(k) **Income taxes**—CareerSource Chipola is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income. Since CareerSource Chipola had no taxable unrelated business income during the years ended June 30, 2025, no provision for income taxes is provided in the financial statements.

Management of CareerSource Chipola considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to CareerSource Chipola's status as a not-for-profit entity. Management believes CareerSource Chipola met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore no provision for income taxes has been provided in these financial statements. CareerSource Chipola's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

(l) **Fund balance**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which CareerSource Chipola is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(2) **Summary of Significant Accounting Policies:** (Continued)

Those classifications are as follows:

Nonspendable—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted—Amounts that can be spent only for specific purposes because of the Bylaws, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed—Amounts that can be used only for specific purposes determined by a formal action by ordinance or resolution.

Assigned—Amounts that are designated by CareerSource Chipola Directors for a specific purpose but are not spendable until a budget ordinance is passed by CareerSource Chipola Directors.

Unassigned—All amounts not included in other spendable classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, CareerSource Chipola considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, CareerSource Chipola considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless CareerSource Chipola Directors has provided otherwise in its commitment or assignment actions.

(m) **Net position flow assumption**—Sometimes CareerSource Chipola will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is CareerSource Chipola's policy to consider restricted net position to have been used before unrestricted net position is applied.

(n) **Leases**—CareerSource Chipola leases building facilities and determines if an arrangement is a lease at inception. CareerSource Chipola recognizes intangible right-to-use (RTU) assets and corresponding lease liabilities for all leases that are not considered short-term. RTU assets represent CareerSource Chipola's right to use an underlying asset for the lease term and lease liabilities represent CareerSource Chipola's obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Basis of lease classification – Leases that meet the following requirement will not be considered short term: the maximum possible lease term(s) is non-cancelable by both lessee and lessor, and is more than 12 months, and (2) the present value of lease payments for the lease is less than \$5,000.

Discount Rate – Unless explicitly stated in the lease agreement, known by CareerSource Chipola, or CareerSource Chipola is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities is 5.5% for applicable leases beginning after July 1, 2021, and applicable lease conversions.

CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(1) **Summary of Significant Accounting Policies:** (Continued)

CareerSource Chipola's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

(o) **Subscription-based information technology arrangements (SBITAs)**—CareerSource Chipola has entered into two SBITA agreements for software as a service. The Organization recognizes intangible right-to-use (RTU) assets and corresponding liabilities for all SBITAs that are not considered short-term.

RTU assets represent CareerSource Chipola's right to use an underlying intangible asset for the agreement term and liabilities represent the Organization's obligation to make payments arising from the SBITA. RTU assets and liabilities are recognized at the agreement commencement date based on the present value of payments over the SBITA term.

Basis of classification – SBITAs where the maximum possible agreement term(s) is non-cancelable by both parties, and more than 12 months are not considered short term.

Discount Rate – Unless explicitly stated in the agreement, known by CareerSource Chipola, or CareerSource Chipola is able to determine the rate implicit within the agreement, the discount rate used to calculate SBITA right-to-use assets will be CareerSource Chipola's incremental borrowing rate (IBR), which will be the rate utilized for the subsequent fiscal year.

CareerSource Chipola's SBITAs do not contain any material residual value guarantees or material restrictive covenants.

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheets and the government-wide statements of net position**—Following the governmental fund balance sheets is a reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide statements of net position. The details of these differences are explained in the above referenced financial statements.

(b) **Explanation of certain differences between the governmental fund statements of revenues, expenditures, and changes in fund balance and the government-wide statements of activities**—Following the governmental fund statements of revenues, expenditures, and changes in fund balance, there is a reconciliation between *net change in fund balance – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statements of activities. The details of these differences are explained in the above referenced financial statements.

CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(3) **Capital Assets and Depreciation:**

Capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2025</u>
Furniture, fixtures and equipment	\$ 206,774	\$ -	\$ -	\$ 206,774
Right-to-use buildings	630,252	-	-	630,252
Right-to-use SBITAs	-	26,601		26,601
Less accumulated depreciation	(200,255)	(6,519)	-	(206,774)
Less accumulated amortization	(315,126)	(115,196)	-	(430,322)
Capital assets, net	<u>\$ 321,645</u>	<u>\$ (95,114)</u>	<u>\$ -</u>	<u>\$ 226,531</u>

For the year ended June 30, 2025, depreciation expense was \$6,519 and amortization expense was \$115,196, and was charged to training programs.

(4) **Leases and SBITAs:**

CareerSource Chipola as Lessee—In fiscal year 2014-2015, CareerSource Chipola entered into a lease agreement with Chipola Land & Development Company, Inc., as lessee for building facilities at 4636 Highway 90 East, Suite K, Marianna, which was last renewed in fiscal year 2020-2021 and expires June 30, 2027. A right-to-use asset was added to CareerSource Chipola’s capital assets for \$630,252 which is included in the building class. The accumulated amortization as of June 30, 2025, was \$420,168. The building facility has a thirty-year estimated useful life. As of June 30, 2025, the present value of the future minimum lease payments was \$246,000. The discount rate applied to the leases is 5.5%.

Lease expense for the right-to-use assets for the years ended June 30, 2025, is as follows:

	<u>June 30, 2025</u>
Buildings	\$ 105,042
Total amortization expense	105,042
Interest on lease liabilities	15,509
Total	<u>\$ 120,551</u>

The principal and interest requirements to maturity for the lease liability as of June 30, 2025, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2026	\$ 113,037	\$ 9,963	\$ 123,000
2027	119,413	3,587	123,000
Total future minimum lease payments	<u>\$ 232,449</u>	<u>\$ 13,551</u>	<u>\$ 246,000</u>

CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(4) **Leases and SBITAs:** (Continued)

Subscription-Based Information Technology Arrangements (SBITA) —CareerSource Chipola has entered into two SBITA agreements for software as a service. A right-to-use intangible asset was added to CareerSource Chipola’s capital asset records for each of the assets which are included in the software class.

The total beginning value of the right-to-use assets for SBITAs on June 30, 2025, was \$26,601. The assets had an accumulated amortization of \$10,154 on June 30, 2025. The details of the SBITAs are below.

In fiscal year 2025, CareerSource Chipola entered a 19-month SBITA with Softchoice for use of a universal hybrid multi-cloud valued at \$20,422. A right to use intangible asset was added to CareerSource Chipola’s capital assets in that amount. The accumulated amortization as of June 30, 2025, was \$6,794. The discount rate applied to this agreement was 5.5%. The asset is amortized over the estimated life of the associated contract. The present value of the future minimum agreement payable on June 30, 2025, was \$13,692.

In fiscal year 2025, CareerSource Chipola entered a 21-month SBITA with Softchoice for use of KnowBe4 security training software valued at \$6,179. A right to use intangible asset was added to CareerSource Chipola’s capital assets in that amount. The accumulated amortization as of June 30, 2025, was \$3,360. The discount rate applied to this agreement was 5.5%. The asset is amortized over the estimated life of the associated contract. The present value of the future minimum agreement payable on June 30, 2025, was \$3,535.

Lease expense for the right-to-use assets for the years ended June 30, 2025, was as follows:

	June 30, 2025
SBITA - GASB 96	\$ 10,154
Total amortization expense	10,154
Interest on lease liabilities	761
Total	\$ 10,915

The principal and interest requirements to maturity for the SBITA lease liability as of June 30, 2025, is as follows:

Year Ending June 30,	Principal	Interest	Total Payments
2026	16,725	502	17,227
Total future minimum lease payment	\$ 16,725	\$ 502	\$ 17,227

(5) **Changes In Long-Term Liabilities:**

Eligible employees accrue vacation and sick leave at varying rates based upon length of employment. Annual leave is accrued as earned by employees and recorded as an expense in the period earned. Upon termination, the maximum amount of annual leave that an employee may accumulate and be paid for is 240 hours. An employee may be paid out for sick leave after five (5) years employment with CareerSource Chipola. The employee or employee's family will be paid 100% of the employee's current

CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(5) **Changes In Long-Term Liabilities:** (Continued)

base salary for the first 240 hours which he or she has accrued (and previously earned) with the remaining hours being paid at 50% of the employee's current base salary, provided the employee does not leave under duress. The change in compensated absences below is a net change for the year. Long-term liabilities activity for the year ended June 30, 2025, is as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 298,054	\$ 10,303	\$ —	\$ 308,357	\$ 16,954
Lease liability	339,450	—	(107,000)	232,450	113,037
SBITA liability	—	26,601	(9,876)	16,725	16,725
Total liabilities	<u>\$ 637,504</u>	<u>\$ 36,904</u>	<u>\$ (116,876)</u>	<u>\$ 557,532</u>	<u>\$ 146,716</u>

(6) **Retirement Plan:**

CareerSource Chipola sponsors a defined contribution retirement plan which covers substantially all employees. The plan provides for a 16% contribution of the employees' base salary beginning after the probationary employment period, provided funds are available. The amount of retirement expense for the year ended June 30, 2025, was \$83,682.

(7) **Risk Management:**

CareerSource Chipola is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters for which CareerSource Chipola carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Personal Property and EDP
- Directors' and Officers' Liability
- Employment Practices Liability
- Auto

CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(8) Concentrations of Credit Risk and Significant Funding Source:

(a) **Cash and cash equivalents**—As of June 30, 2025, CareerSource Chipola had demand deposits with one financial institution of \$450,280. CareerSource Chipola has no policy requiring collateral or other security to support its deposits, although all demand deposits with banks are federally insured up to FDIC limitations. The demand deposits with the financial institutions are insured up to \$250,000. At June 30, 2025, CareerSource Chipola had \$200,280 in deposits that exceeded FDIC coverage.

(b) **Grants and other receivables**—CareerSource Chipola’s receivables are for amounts due under contracts with the State of Florida and Federal government agencies. CareerSource Chipola has no policy requiring collateral or other security to support its receivables.

(c) **Significant funding source**—During the years ended June 30, 2025, CareerSource Chipola received approximately 84% of its funding from the United States Department of Labor and the United States Department of Health and Human Services passed through the Florida Department of Commerce. If a significant reduction in the level of this funding were to occur, it could have an adverse effect on CareerSource Chipola’s program and activities.

(9) Contingencies and Uncertainties:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although CareerSource Chipola expects such amounts, if any, to be immaterial.

(10) Related Parties:

Certain board members provide services either directly or indirectly to CareerSource Chipola. A description and the amount of the services provided for the year ended June 30, 2025, is as follows:

Tuition	\$	10,060
Utilities		6,745
Dues and subscriptions		2,600
		19,405
	\$	19,405

The amount outstanding as payable for these services as of June 30, 2025, was \$843.

Additionally, CareerSource Chipola entered into Florida Department of Commerce approved contracts with entities of which board members were employed.

CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(11) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates, effective for subsequent fiscal years that have not yet been implemented or were implemented in the current year. Management has not currently determined what, if any, impact implementation of the future pronouncements will have on CareerSource Chipola's financial statements:

- a) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences, which include leave for vacation, holidays, sick time, or other paid time off. The Statement establishes a unified model for recognizing a compensated absence liability when leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or paid to the employee. This guidance replaces prior provisions under GASB Statement No. 16. CareerSource Chipola implemented this Statement and its various provisions during the year ended June 30, 2025, and had no significant impact on the financial statements. Accordingly, no prior-period adjustment has been reported.
- b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB Statement No. 102 (GASB 102) amends GASB Statement No. 62 regarding the disclosure of a government's vulnerability to risks related to certain concentrations and constraints that limit its ability to acquire resources or control spending. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024. The standard was implemented in fiscal year 2025, and the implementation of the Statement did not have a material effect on CareerSource Chipola.
- c) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. GASB Statement No. 103 (GASB 103) addressed 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. The provisions for GASB 103 are effective for fiscal years beginning after June 15, 2025.
- d) GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 (GASB 104) requires governments to provide detailed information about certain types of capital assets, including lease assets, intangible right-to-use assets, and subscription assets, in the notes to financial statements. The provisions for GASB 104 are effective for fiscal years beginning after June 15, 2025.
- e) GASB issued Statement No. 105, *Subsequent Events*, in December 2025. GASB Statement No. 105 (GASB 105) clarifies the subsequent events that constitute recognized and non-recognized events and establishes specific note disclosure requirements. The provisions of GASB 105 are effective for fiscal years beginning after June 15, 2026.

CHIPOLA REGIONAL WORKFORCE DEVELOPEMNT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(12) **Restatement of Beginning Fund Balance and Beginning Net Position:**

During the fiscal year ending June 30, 2024, a restatement of beginning fund balance and beginning net position was made for a correction of an error in previously issued financial statements for the following: an overstatement of grant revenue and grants receivable due to improper recording in the prior period, and an understatement of prepaid expenses and due from accounts. The net effect of these adjustments on beginning fund balance and beginning net position were as follows.

	Fund Balance
	<u>General Fund</u>
Fund Balance – 6/30/24, originally reported	\$ 931,402
Grants-related restatements	<u>(92,809)</u>
Fund Balance – 6/30/24, as restated	<u>\$ 838,593</u>

	Net Position
	<u>Governmental Activities</u>
Net position –6/30/24, originally reported	\$ 615,543
Grants-related restatements	<u>(92,809)</u>
Net position – 6/30/24, as restated	<u>\$ 522,734</u>

COMPLIANCE SECTION

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

To the Board of Directors,
Chipola Regional Workforce Development Board, Inc.
d/b/a CareerSource Chipola:

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of Chipola Regional Workforce Development Board, Inc. (CareerSource Chipola) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise CareerSource Chipola's basic financial statements, and have issued our report thereon dated March 31, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CareerSource Chipola'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 CareerSource Chipola's internal control. Accordingly, we do not express an opinion on the effectiveness of CareerSource Chipola'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 CareerSource Chipola'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

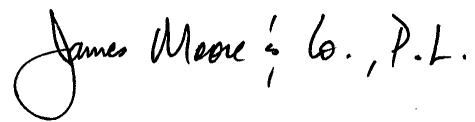
As part of obtaining reasonable assurance about whether CareerSource Chipola's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and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

CareerSource Chipola's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the CareerSource Chipola's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. CareerSource Chipola's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 CareerSource Chipola's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CareerSource Chipola's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial "J" and a stylized "M".

Daytona Beach, Florida
March 31, 2026

CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

<u>Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Award Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Expenditures</u>
FEDERAL AWARDS				
U. S. Department of Health and Human Services				
Passed through State of Florida, Department of Commerce				
Temporary Assistance for Needy Families	93.558	WTS24	\$ -	\$ 158,182
Temporary Assistance for Needy Families	93.558	WTS25	-	116,204
Total Department of Health and Human Services			<u>-</u>	<u>274,386</u>
Total U.S. Department of Health and Human Services			<u>-</u>	<u>274,386</u>
U. S. Department of Labor				
Passed through State of Florida, Department of Commerce				
Employment Service/Wagner-Peyser Funded Activities	17.207	WPB24	-	4,274
Employment Service/Wagner-Peyser Funded Activities	17.207	WPB25	-	14,367
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA25	-	17,620
Employment Service/Wagner-Peyser Funded Activities	17.207	WPB25	-	30,175
Disable Veterans' Outreach Program (DVOP)	17.801	DLC25	-	294
Disable Veterans' Outreach Program (DVOP)	17.801	DLC24	-	17,991
Total Employment Service Cluster			<u>-</u>	<u>84,721</u>
Reemployment Services and Eligibility Assessments	17.225	UCR23	-	13,410
Reemployment Services and Eligibility Assessments	17.225	UCR24	-	28,210
Total Reemployment Services and Eligibility Assessments			<u>-</u>	<u>41,620</u>

The accompanying notes to the schedule of expenditures of federal awards
are an integral part of this statement.

CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025
(Continued)

<u>Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Award Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Expenditures</u>
FEDERAL AWARDS (Continued)				
U. S. Department of Labor (Continued)				
Passed through State of Florida, Department of Commerce (Continued)				
WIOA Adult Program	17.258	WIA25	-	91,230
WIOA Adult Program	17.258	WIA24	-	206,505
WIOA Adult Program	17.258	WIS24	1,320	148,767
WIOA Adult Program	17.258	WIS25	-	7,667
WIOA Youth Activities	17.259	WIY24	-	5,985
WIOA Youth Activities	17.259	WIY25	-	133,459
WIOA Youth Activities	17.259	WIS24	1,280	144,259
WIOA Youth Activities	17.259	WIS25	-	7,428
WIOA Dislocated Worker Formulas Grants	17.278	WRS23	-	6,755
WIOA Dislocated Worker Formulas Grants	17.278	WID24	-	13,945
WIOA Dislocated Worker Formulas Grants	17.278	WIR24	-	32,377
WIOA Dislocated Worker Formulas Grants	17.278	WIS24	1,400	157,783
WIOA Dislocated Worker Formulas Grants	17.278	WIS25	-	8,865
Total Workforce Innovation and Opportunity Act Cluster			4,000	965,025
Total U.S. Department of Labor			4,000	1,091,366
U. S. Department of Agriculture				
Passed through State of Florida, Department of Commerce				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Programs	10.561	FSH24	-	11,187
State Administrative Matching Grants for the Supplemental Nutrition Assistance Programs	10.561	FSH25	-	41,748
Total Supplemental Nutrition Assistance Program Cluster			-	52,935
Total U.S. Department of Agriculture			-	52,935
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 4,000	\$ 1,418,687

The accompanying notes to the schedule of expenditures of federal awards
are an integral part of this statement.

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of Chipola Regional Workforce Development Board, Inc. (CareerSource Chipola). The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

(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 allowed or are limited as to reimbursement.

(3) **De Minimis Indirect Cost Rate Election:**

CareerSource Chipola has elected not to use the de minimis indirect cost rate as allowed under Uniform Guidance.

**CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

I. Summary of Auditors' Results:

Financial Statements:

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards:

Internal control over major Federal programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditors' report issued on compliance for major Federal programs: *Unmodified*

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

Identification of major Federal programs:

ALN Number(s)	Program Name
17.258, 17.259, 17.278	WIOA Cluster

Dollar threshold used to distinguish between type A and type B Federal programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025
(Continued)

II. Financial Statement Findings:

2025-001 – Reconciliation of Account Balances and Prior Period Adjustment for Correction of Error

Criteria: During our testing of Florida Commerce grant funding and related balances, we noted several balances did not fully agree to the Subrecipient Enterprise Resource Application (SERA) balances. As such, we noted several adjustments were required to net position, grant revenue, refundable advances, and grants receivable with some adjustments related to the current year and some related to the prior year. This included a prior period adjustment to net position which was needed to correct errors relating to the prior year. We further noted prior period adjustments which were necessary relating to net position, expenses, and due from accounts.

Condition: Year-end balances such as net position, refundable advances, grant revenues, due from, expenses, and grants receivable should be reviewed and reconciled thoroughly at year-end.

Cause: The cause of the audit adjustments was due to insufficient review and reconciliation of these year-end general ledger account balances.

Effect: The effect was, had the audit adjustments not been proposed, there would have been misstatements of the general ledger account balances at year-end.

Recommendation: We recommend increasing review of year-end balances to verify all balances agree fully to the SERA grant summary report, as well as to verify all required adjustments are made for both SERA and non-SERA general ledger account balances.

III. Federal Awards Findings and Questioned Costs:

2025-002 – WIOA Cluster Earmarking Noncompliance

Information on the Federal Program: Assistance Listing Numbers 17.258, 17.259, and 17.278 Workforce Innovation and Opportunity Act Cluster, United States Department of Labor. Pass-Through Entity: Florida Department of Commerce. *Award Numbers:* WIA24, WIA25, WIY24, WIY25, WRS23, WID24, WIR24, WIS24, and WIS25. *Compliance Requirements:* Earmarking. *Type of Finding:* Single Audit Noncompliance.

Criteria: According to the Compliance Supplement, 2 CFR PART 200, APPENDIX XI, published by the Office of Management and Budget (OMB) for the WIOA Cluster, Local Areas: "2) Not less than 20 percent of Youth Activity funds allocated to the local area, except for the local area expenditures for administration, must be used to provide paid and unpaid work experiences (Section 129(c)(4)), WIOA, 128 Stat. 1510)."

Condition: In the current year, the Organization failed expend 20% or greater for Youth activity funds for paid and unpaid work experiences, expending 6.68%.

Cause: The Organization did track the Youth activity funds for paid and unpaid work experiences throughout the year. However, the Organization did not meet the required percentage of 20% due to the Organization's current year operations and allocations of expenditures for WIOA Youth needs.

Effect: The Organization was not in compliance with the Earmarking requirements under the WIOA grant.

CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025
(Continued)

Recommendation: We recommend that the Organization ensure that expenses - and specifically Youth work expenses - be properly tracked to ensure compliance with WIOA grant requirements.

IV. Summary Schedule of Prior Year Findings: None

V. State of Florida, Department of Commerce (DOC) Reporting Requirements:

1.	Timely reconciliation between the general ledger accounting system and the Subrecipient Enterprise Resource Application (SERA) maintained by the DOC.	Yes
2.	Annual reconciliation to year-end financial records must include the following:	Yes
a.	Each federal award passed through DOC balanced by the individual DOC NFA ID# since each NFA is required to be a self-balancing set of accounts.	No, see 2025-003 below
b.	Net assets of each federal award equaled zero.	No, see 2025-004 below
c.	Federal awards did not have negative cash balances without sufficient explanation.	No, see 2025-005 below
d.	All cost pools were allocated to their final cost objectives.	Yes
3.	Application of indirect cost rate agreements negotiated with the federal cognizant agency or DOC had no areas of noncompliance noted.	Yes
4.	Federal cash management processes complied with DOC requirements.	Yes

2025-003 – NFA ID #s Not Self-Balancing

During our testing of NFA ID #s and their requirement to have a self-balancing set of accounts, we noted that almost all NFA by ID #s did not contain the required self-balancing set of accounts. We noted that the revenues and expenditures for most NFA ID #s did not balance, as well as assets and liabilities not being consistently tracked at the NFA ID # level. We recommend ensuring that at year-end, each NFA ID # which received federal awards in the current fiscal year, properly has a self-balancing set of accounts within itself.

CHIPOLA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
D/B/A CAREERSOURCE CHIPOLA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

(Continued)

2025-004 – Federal Awards with Net Assets

During our testing of net assets in federal awards, we noted that multiple federal awards which received grant monies in the current year had net assets (fund balance). The majority of the balances related to only revenues and expenses being tracked by federal award and not tracking both assets and liabilities at the federal award level as well. We recommend ensuring that at year-end, each federal award does not have any net assets (fund balance) to comply with this requirement and that all balance sheet amounts are properly tracked by federal award as income statement amounts are tracked.

2025-005 – Negative Cash Balances Without Sufficient Explanation

During our testing of cash balances, we noted a number of negative cash balances for multiple individual federal awards, which were in part due to an old grant which had not been properly closed out in a prior audit period and still contained a negative cash balance. We recommend the Organization take steps to ensure that no negative cash balances are present within their accounts for individual federal awards that cannot be sufficiently explained.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Directors,
Chipola Regional Workforce Development Board, Inc. d/b/a CareerSource Chipola:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Chipola Regional Workforce Development Board, Inc. d/b/a CareerSource Chipola'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 auditors' 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the special audit guidance provided by the State of Florida Department of Commerce; 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 Auditors' 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.

Auditors' Responsibility 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 GAAS, *Government Auditing Standards*, the special audit guidance provided by the State of Florida, Department of Commerce, 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 GAAS, *Government Auditing Standards*, the Uniform Guidance, and the special audit guidance provided by the State of Florida Department of Commerce, 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our compliance audit described in Management's Corrective Action Plan on page 38. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

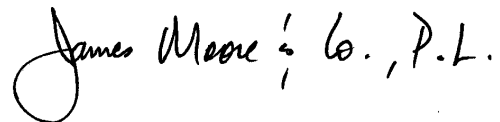
Report on Internal Control Over Compliance

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looping initial 'J'.

Daytona Beach, Florida
March 31, 2026

Management's Response to Findings

2025-001 – Reconciliation of Account Balances and Prior Period Adjustment for Correction of Error

- CSC Management will implement increased review of year-end balances to verify all balances agree fully to the SERA grant summary reports as well as to verify all required adjustments are made for both SERA and non-SERA general ledger account balances.

2025-002 – WIOA Cluster Earmarking Noncompliance

- CSC Management was aware of the issue regarding required expenditure rates of Youth activity funds for paid and unpaid work experiences. During the program year CSC was awarded significant additional Youth funding. This unexpected award of funds received after the initial budget was approved resulted in late development of the necessary work experience activities. This was compounded by lower-than-expected enrollments in the program that was developed and thus less cost allocation to the work experience expenditures. CSC Management is working to develop a youth work experience program that can be quickly expanded if additional funding is received in the future.

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