

2025

CareerSource North Central Florida

Financial Statements and
Independent Auditor's Report

September 30, 2025

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

CAREERSOURCE NORTH CENTRAL FLORIDA

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

SEPTEMBER 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CareerSource North Central Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the CareerSource North Central Florida (CSNCFL) as of September 30, 2025, and for the period from inception (March 2, 2025) to September 30, 2025, and the related notes to the financial statements, which collectively comprise CSNCFL'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 CSNCFL as of September 30, 2025, and the changes in financial position for the initial period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CSNCFL 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CSNCFL's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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To the Board of Directors
CareerSource North Central Florida

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CSNCFL'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 CSNCFL'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 and the budgetary comparison information 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

To the Board of Directors
CareerSource North Central Florida

INDEPENDENT AUDITOR'S REPORT

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 an opinion on the financial statements that collectively comprise CSNCFL'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*, 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 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 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 May 26, 2026, on our consideration of CSNCFL'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 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 CSNCFL's internal control over financial reporting and compliance.

Purvis Gray

May 26, 2026
Gainesville, Florida

**CAREERSOURCE NORTH CENTRAL FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

Our discussion and analysis of CareerSource North Central Florida (CSNCFL) provides a narrative overview of CSNCFL's financial activities for the period from inception (March 2, 2025) to September 30, 2025. Please read it in conjunction with CSNCFL's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

Financial Highlights

- The liabilities of CSNCFL exceeded its assets at September 30, 2025, by \$110,483.
- CSNCFL's net position decreased by \$110,483. The key components of CSNCFL's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2025, CSNCFL's governmental fund balance was a deficit \$66,639.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to CSNCFL's basic financial statements. CSNCFL'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 CSNCFL'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 CSNCFL's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of CSNCFL is improving or deteriorating.

The statement of activities presents information showing how CSNCFL'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).

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. CSNCFL uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. CSNCFL has one fund category: governmental funds.

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.

**CAREERSOURCE NORTH CENTRAL FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

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 balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CSNCFL maintains one governmental fund for external reporting. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is considered a major fund.

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 CSNCFL and the related expenditures for the initial period ended September 30, 2025. In addition, budget to actual comparisons for the general fund are presented as required supplementary information as listed in the table of contents.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. Key components of CSNCFL’s net position are reflected in the following table:

	Statement of Net Position
	2025
Current and Other Assets	\$ 1,691,039
Capital Assets	160,607
Total Assets	1,851,646
Current Liabilities	1,681,437
Non-Current Liabilities	280,692
Total Liabilities	1,962,129
Net Investment in Capital Assets	(707)
Unrestricted	(109,776)
Net Position (Deficit)	\$ (110,483)

CSNCFL had deficit balances in net position as of September 30, 2025.

Key elements of the change in net position for the initial period ending September 30, 2025, are reflected in the following table:

**CAREERSOURCE NORTH CENTRAL FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025**

	Statement of Activities
	2025
Revenues	
Program Revenues:	
Charges for Services	\$ 500
Operating Grants and Contributions	3,536,421
General Revenues:	
Other	15,351
Total Revenues	3,552,272
Expenses	
Training, Retraining and Readjustment	3,662,755
Change in Net Position	(110,483)
Net Position, Beginning	-
Net Position (Deficit), Ending	\$ (110,483)

Governmental activities decreased CSNCFL’s net position by \$110,483. The decrease is attributable to the recognition of compensated absences.

General Fund - Budgetary Highlights

Revenues of the General Fund were approximately \$1.8 million less than budgeted amounts. The largest variance between final budget amounts and actual results occurred with grants and contracts revenues. CSNCFL’s primary source of funding is from the Department of Commerce and those revenues vary depending on the amount expended annually.

Capital Assets

CSNCFL’s investment in capital assets (including right-to-use leased assets) for its governmental activities as of September 30, 2025, amounts to \$160,607 (net of accumulated depreciation/amortization). This investment in capital assets includes right-to-use leased assets.

Debt Administration

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

Economic Factors

CSNCFL currently is not aware of any conditions that are expected to have a significant effect on CSNCFL’s financial position or results of operations.

Request for Information

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

CareerSource North Central Florida
Attention: Fiscal Agent
12 SE 1st Street, 4th Floor
Gainesville, FL 32601

CAREERSOURCE NORTH CENTRAL FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 769,902
Grant, Contract and Other Receivables	898,084
Prepays	23,053
Capital Assets, Net of Accumulated Depreciation and Amortization	160,607
Total Assets	1,851,646
Liabilities	
Accounts Payable and Accrued Expenses	208,060
Due to Other Governments	1,409,668
Unearned Revenue	63,709
Non-Current Liabilities:	
Compensated Absences, Current Portion	59,689
Lease Liability, Current Portion	24,161
Compensated Absences, Non-Current Portion	59,689
Lease Liability, Non-Current Portion	137,153
Total Liabilities	1,962,129
Net Position	
Net Investment in Capital Assets	(707)
Unrestricted	(109,776)
Total Net Position	\$ (110,483)

See accompanying notes.

**CAREERSOURCE NORTH CENTRAL FLORIDA
STATEMENT OF ACTIVITIES
FOR THE INITIAL PERIOD ENDED SEPTEMBER 30, 2025**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
Training, Retraining and Readjustment	\$ 3,662,755	\$ 500	\$ 3,536,421	\$ (125,834)
Total Governmental Activities	<u>\$ 3,662,755</u>	<u>\$ 500</u>	<u>\$ 3,536,421</u>	<u>(125,834)</u>
		General Revenues:		
			Other	15,351
			Change in Net Position	<u>(110,483)</u>
			Net Position, Beginning of Year	<u>-</u>
			Net Position (Deficit), End of Year	<u>\$ (110,483)</u>

See accompanying notes.

**CAREERSOURCE NORTH CENTRAL FLORIDA
BALANCE SHEET - GOVERNMENTAL FUND
SEPTEMBER 30, 2025**

	Governmental Fund
Assets	
Cash and Cash Equivalents	\$ 769,902
Grant, Contract, and Other Receivables	898,084
Prepays	23,053
Total Assets	1,691,039
 Liabilities	
Accounts Payable and Accrued Expenses	208,060
Due to Other Governments	1,409,668
Unearned Revenue	63,709
Total Liabilities	1,681,437
 Deferred Inflows of Resources	
Intergovernmental - Unavailable	76,241
Total Deferred Inflows of Resources	76,241
 Fund Balance	
Non-Spendable	23,053
Unassigned	(89,692)
Total Fund Balance	(66,639)
 Total Liabilities and Fund Balance	\$ 1,691,039

See accompanying notes.

**CAREERSOURCE NORTH CENTRAL FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

Fund Balances - Total Governmental Fund \$ (66,639)

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	\$ 167,590	
Less: Accumulated Depreciation and Amortization	<u>(6,983)</u>	160,607

Long-term liabilities, including bonds payable and notes payable, 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 Liability	(161,314)	
Compensated Absences	<u>(119,378)</u>	(280,692)

Certain receivables are not available in the current period and, therefore, are not recognized as revenue in governmental funds.

76,241

Net Position of Governmental Activities \$ (110,483)

See accompanying notes.

CAREERSOURCE NORTH CENTRAL FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE INITIAL PERIOD ENDED SEPTEMBER 30, 2025

	Governmental Fund
Revenues	
Grants and Contracts	\$ 3,460,180
Other	15,851
Total Revenues	3,476,031
Expenditures	
Contractual Services	2,377,572
Participant Training and Support	339,951
Travel	27,338
Training and Education	115,108
Utilities and Communication	42,044
Rentals and Leases	259,096
Insurance	97,993
Repairs and Maintenance	16,272
Other Current Charges	136,110
Office and Operating Supplies	117,157
Books-Publications-Subscriptions	6,978
Capital Lease Expenditure	167,590
Debt Service:	
Principal	6,276
Interest	775
Total Expenditures	3,710,260
(Deficiency) of Revenues (Under) Expenditures	(234,229)
Other Financing Sources (Uses)	
Other Financing Source Leases	167,590
Net Change in Fund Balance	(66,639)
Fund Balance, Beginning of Year	-
Fund Balance (Deficit), End of Year	\$ (66,639)

See accompanying notes.

**CAREERSOURCE NORTH CENTRAL FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE INITIAL PERIOD ENDED SEPTEMBER 30, 2025**

**Amounts Reported for Governmental Activities in the Statement
of Activities Are Different Because:**

Net Change in Fund Balance - Governmental Fund	\$	(66,639)
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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 or amortization expense:

Amortization Expense		(6,983)
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Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(119,378)
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The issuance of long-term debt provides current financial resources to government funds, while repayment of the principal of long-term debt consumes current financial resources of the governmental funds:

Long-Term Lease Liability - Repayment of Principal		6,276
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Certain accrued revenues reported in the statement of activities are not considered available current financial resources and, therefore, are not reported as revenue in the governmental funds.		76,241
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Change in Net Position of Governmental Activities	\$	<u>(110,483)</u>
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See accompanying notes.

FINANCIAL STATEMENTS

**CAREERSOURCE NORTH CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

Note 1 - Summary of Significant Accounting Policies

The following is a summary of the more significant accounting policies of CareerSource North Central Florida (CSNCFL), which affect significant elements of the accompanying basic financial statements:

Reporting Entity

Creation of the Entity

The Florida Workforce System Transformation Plan streamlines and modernizes the state's workforce system, enhancing alignment and accountability, serving job seekers and businesses more effectively, and improving outcomes for Floridians. Empowered by the state's *Reimagining Education and Career Help* (REACH) Act, the plan is focused around three pillars: Alignment and Consolidation, System-Wide Improvements, and Regional Planning. A reduction in the number of local workforce development boards was required by the REACH Act to minimize duplication, improve consistency and maximize resources to enhance outcomes for businesses and individuals, emphasizing a customer-focused approach. In May 2023, the Governor affirmed the recommendation provided by the CareerSource Florida Board of Directors to realign and consolidate 10 local workforce development areas as outlined in the Florida Workforce System Transformation Plan. These changes affected 27 counties and reduced the number of Local Workforce Development Boards in the State of Florida from 24 to 21. Actions included the consolidation of Workforce Region 9 also known as CSNCFL and Workforce Region 7 also known as CareerSource Florida Crown into a new region, which is Workforce Region 26. The new Workforce Region 26 assumed the name of CareerSource North Central Florida as of July 1, 2024. From July 1, 2024, through March 1, 2025, CSNCFL was governed by the Dual County Council which included Alachua and Bradford counties. During this period CSNCFL was considered a component unit of Alachua County, Florida. Effective March 2, 2025, a new six party interlocal agreement was executed between Alachua, Bradford, Columbia, Dixie, Gilchrist, and Union counties creating a separate governance structure and reporting entity. The new governance structure consisted of one county commissioner from each of the six participating counties.

CSNCFL, the administrative entity for Workforce Development Area 26 (LWDA 26), was created pursuant to an interlocal agreement under §163.01(7), Fla. Stat., between the six counties comprising LWDA 26, as designated by the Governor and described at §106 of the *Workforce Innovation and Opportunity Act* (WIOA). LWDA 26 comprises six counties: Alachua, Bradford, Columbia, Dixie, Gilchrist, and Union. Under the Florida Interlocal Cooperation Act, Fla. Stat. §163.01, local governments may enter into agreements to create a separate legal or administrative entity to carry out shared functions. This is a common structure for regional coordination, including workforce development. CSNCFL is a special-purpose government.

The purpose of CSNCFL is to fulfill those duties and responsibilities provided for by the WIOA, *the Personal Responsibility and Work Opportunity Reconciliation Act of 1996*, *the Balanced Budget Act of 1997* and the *Workforce Florida Act of 1996*, as amended; consistent with the provisions of job training, job placement and benefit services to the citizens of Alachua, Bradford, Columbia, Dixie, Gilchrist and Union Counties, Florida.

The governing board of CSNCFL is the Council of Elected Officials (Council). The Council consists of six members comprised of one County Commissioner appointed by the respective Boards of County Commissioners of each of the six participating counties.

CAREERSOURCE NORTH CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of CSNCFL (the primary government unit) and its component units. There were no entities that required inclusion as a component unit within CSNCFL's financial statements.

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 the non-fiduciary activities of CSNCFL. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. CSNCFL has no business-type activities.

The statement of activities demonstrates 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 or segment. 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 or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. 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 CSNCFL's only fund. This fund is CSNCFL's operating fund and is used to account for all revenues and expenditures applicable to general operations. The fund is charged with all costs of operations.

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, CSNCFL 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.

CSNCFL 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 CSNCFL's policy to use restricted resources first, then unrestricted resources as they are needed.

Major Governmental Fund

The sole governmental fund used by CSNCFL is the general fund, which is used to account for all financial activity of CSNCFL.

CAREERSOURCE NORTH CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

CSNCFL's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

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.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded when consumed rather than when purchased.

Unearned Revenues

Unearned revenues are comprised of amounts received from grantor agencies by CSNCFL 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.

Capital Assets

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

Capital assets with a value of \$5,000 or greater and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from three to ten years.

Leases

CSNCFL leases building facilities and determines if an arrangement is a lease at inception. CSNCFL recognizes intangible right-to-use (RTU) assets and corresponding lease liabilities for all leases with an initial maximum non-cancellable term greater than 12 months and an individual value of \$5,000 or more. RTU assets represent the CSNCFL's right to use an underlying asset for the lease term and lease liabilities represent CSNCFL'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.

CAREERSOURCE NORTH CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Discount Rate

Unless explicitly stated in the lease agreement, known by CSNCFL, or CSNCFL is able to determine the rate implicit within the lease, the discount rate used to calculate lease RTU assets and liabilities will be CSNCFL's incremental borrowing rate (IBR), which will be the rate utilized for the subsequent fiscal year.

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

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Compensated Absences

CSNCFL accumulates unpaid vacation and sick leave earned by employees. The liability for these compensated absences is accrued in the government-wide and proprietary fund financial statements. A liability for compensated absences is recognized for leave that has not been used if: (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) it is more likely than not that the leave will be used for time off or otherwise paid or settled. A liability also is recognized for leave that has been used but not yet paid. The compensated absences liability is measured using employees' payrates in effect at the end of the fiscal year. The liability includes salary-related payments, where applicable. A liability for those amounts is recorded in the governmental funds only if the liability has matured because of employee resignations, terminations or retirements.

Net Position Flow Assumption

Sometimes CSNCFL will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is CSNCFL's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which CSNCFL is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.

**CAREERSOURCE NORTH CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the organization’s governing authority (the Council). These committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action employed to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility.
- **Unassigned**—All amounts not included in other spendable classifications.

It is the CSNCFL’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenues and Expenditures/Expenses

Generally, revenue is received from the State of Florida Department of Commerce and is earned on a cost reimbursement basis.

Budgets

The Council adopts an annual operating budget, which can be amended by CSNCFL throughout the year. The budget is adopted using the same basis of accounting that is used to reflect actual revenues and expenditures.

Note 2 - Deposits

All CSNCFL’s bank deposits are secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. As of September 30, 2025, all CSNCFL bank deposits were in qualified public depositories and collateralized by the Bureau of Collateral Securities, Division of the Treasury, State Department of Insurance.

Note 3 - Capital Assets

Capital asset activity initial period ended September 30, 2025, was as follows:

	Balance 3/2/2025	Increases	Decreases	Balance 9/30/2025
Right-to-Use Leased Assets	\$ -	\$ 167,590	\$ -	\$ 167,590
Total Capital Assets	-	167,590	-	167,590
Less Accumulated Amortization	-	(6,983)	-	(6,983)
Capital Assets, Net	<u>\$ -</u>	<u>\$ 160,607</u>	<u>\$ -</u>	<u>\$ 160,607</u>

**CAREERSOURCE NORTH CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

There was no depreciation expense during the initial period ended September 30, 2025. The amortization expense for right-to-use leased assets was \$6,983 for the initial period ended September 30, 2025.

Note 4 - Leases

Commencing July 1, 2025, CSNCFL entered into a building lease with an initial lease liability of \$167,590. Terms of the lease are 72 months from date of inception, terminating June 30, 2031, at a stated rate of 2.829%. The lease includes no variable components, residual value guarantees, or bargain purchase options.

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

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 24,161	\$ 4,254	\$ 28,415
2027	25,388	3,879	29,267
2028	26,983	3,162	30,145
2029	28,651	2,398	31,049
2030	30,393	1,588	31,981
Thereafter	25,738	783	26,521
Total Future Minimum Lease Payments	\$ 161,314	\$ 16,064	\$ 177,378

Note 5 - Related Parties

Alachua County, Florida

Pursuant to Chapter 163, Florida Statutes, Alachua County, Florida, (County) a local government agency, a charter county and political subdivision of the State of Florida, provides personnel and acts as the employer of record for CSNCFL and the Council. During the initial period ended September 30, 2025, CSNCFL paid the County \$101,744 for administrative fees and operating costs, and reimbursed the County \$1,716,315 for pass-through personnel costs, including fringe benefits. As of September 30, 2025, CSNCFL owed the County \$644,131 due to labor costs, including fringe benefits and administrative fees that had been incurred but not yet paid. Additionally, CSNCFL also owed the County \$750,000 for an advance that the County provided for cash flow purposes.

Note 6 - Long-Term Liabilities

Changes in Long-term Liabilities. Long-term liability activity for the initial period ended September 30, 2025, was as follows:

	<u>Balance</u> <u>3/2/2025</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/2025</u>	<u>Due in</u> <u>One Year</u>
Governmental Activities					
Lease Liability	\$ -	\$ 161,314	\$ -	\$ 161,314	\$ 24,161
Compensated Absences	-	119,378	-	119,378	59,689
Total Long-Term Liabilities	\$ -	\$ 280,692	\$ -	\$ 280,692	\$ 83,850

CAREERSOURCE NORTH CENTRAL FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

Note 7 - Risk Management

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

- Personal Property
- Public Officials' Liability
- General Liability
- Workers' Compensations
- Employer Practices and Crime
- Cyber Liability Insurance

Note 8 - Contingencies

Grant Programs

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 CSNCFL expects such amounts, if any, to be immaterial.

Note 9 - Significant Funding Source

CSNCFL receives a substantial amount of its funding from the United States Department of Labor passed through the State of Florida Department of Commerce, and from the United States Department of Health and Human Services passed through the State of Florida Department of Commerce. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on CSNCFL's programs and activities.

CAREERSOURCE NORTH CENTRAL FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE INITIAL PERIOD ENDED SEPTEMBER 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Grants and Contracts	\$ 5,112,453	\$ 5,308,160	\$ 3,460,180	\$ (1,847,980)
Other	9,064	9,064	15,851	6,787
Total Revenues	<u>5,121,517</u>	<u>5,317,224</u>	<u>3,476,031</u>	<u>(1,841,193)</u>
Expenditures				
Contractual Services	3,532,662	3,624,112	2,377,572	1,246,540
Participant Training and Support	574,268	574,268	339,951	234,317
Travel	48,684	60,205	27,338	32,867
Training and Education	137,272	137,272	115,108	22,164
Utilities and Communication	109,201	109,201	42,044	67,157
Rentals and Leases	231,852	231,852	259,096	(27,244)
Insurance	-	-	97,993	(97,993)
Repairs and Maintenance	-	-	16,272	(16,272)
Other Current Charges	47,298	47,298	136,110	(88,812)
Office and Operating Supplies	423,706	516,442	117,157	399,285
Books-Publications-Subscriptions	16,574	16,574	6,978	9,596
Capital Lease Expenditure	-	-	167,590	(167,590)
Debt Service:				
Principal	-	-	6,276	(6,276)
Interest	-	-	775	(775)
Total Expenditures	<u>5,121,517</u>	<u>5,317,224</u>	<u>3,710,260</u>	<u>1,606,964</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(234,229)</u>	<u>(234,229)</u>
Other Financing Sources (Uses)				
Other Financing Source Leases	-	-	167,590	167,590
Net Change in Fund Balances	-	-	(66,639)	(66,639)
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances (Deficiency), End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (66,639)</u>	<u>\$ (66,639)</u>

CAREERSOURCE NORTH CENTRAL FLORIDA
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE INITIAL PERIOD ENDED SEPTEMBER 30, 2025

Note 1 - Summary of Significant Accounting Policies

The schedules of revenues, expenditures and changes in fund balances – budget to actual is presented using CareerSource North Central Florida’s budget format for all major governmental funds.

Note 2 - Budgetary Basis of Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the Board of Directors. The budget presented for the initial period ended September 30, 2025, was amended during the year.

Budgets are presented on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

**CAREERSOURCE NORTH CENTRAL FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE INITIAL PERIOD ENDED SEPTEMBER 30, 2025**

Federal Grantor/Cluster/Pass-Through Grantor/ Federal Program Title/Subgrant Title	Federal Assistance Listing Number	Pass-Through Entity Award Number	Expenditures	Transfer to Subrecipients
Department of Agriculture				
SNAP Cluster				
<i>Passed Through Florida Department of Commerce:</i>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FSH25-44734	\$ 634	\$ -
		10.561 Total	634	-
		SNAP Cluster Total	634	-
Department of Labor				
Employment Service Cluster				
<i>Passed Through Florida Department of Commerce:</i>				
Employment Service/Wagner-Peyser Funded Activities:				
Wagner-Peyser Hope Florida	17.207	WPB24 - 043969	1,411	1,329
Wagner-Peyser Hope Florida Navigator	17.207	WPB25 - 044157	52,138	34,651
Wagner-Peyser Apprenticeship Navigator	17.207	WPB25 - 044180	15,782	9,674
Wagner-Peyser Fund	17.207	WPA25 - 044031	159,564	55,211
Wagner-Peyser Fund	17.207	WPA25 - 045638	19,783	11,755
		17.207 Total	248,678	112,620
Jobs for Veterans State Grants:				
Veterans Program - Disabled Veterans	17.801	DVP25 - 044866	14,825	3,241
Veterans Program - Local Veterans	17.801	LVR25 - 044839	127	-
Veterans Program - Consolidated DVOP-LVER	17.801	LVR25 - 044849	2,946	256
		17.801 Total	17,898	3,497
		Employment Service Cluster Total	266,576	116,117
<i>Passed Through Florida Department of Commerce:</i>				
Unemployment Insurance:				
Reemployment Services and Eligibility Assessments	17.225	UCR25 - 045792	28,562	16,729
Reemployment Services and Eligibility Assessments	17.225	UCR24 - 044479	144,170	87,255
		17.225 Total	172,732	103,984
<i>Passed Through Florida Department of Commerce:</i>				
Trade Adjustment Assistance:				
Trade Adjustment Assistance - Training	17.245	TAT23 - 044914	1,331	-
		17.245 Total	1,331	-
Workforce Innovation and Opportunity Act Cluster				
<i>Passed Through Florida Department of Commerce:</i>				
WIOA Adult Program:				
WIA Adult Program	17.258	WIA25 - 045476	378,967	194,101
WIA Adult Program	17.258	WIA25 - 044083	110,461	82,350
WIA Rural Initiatives	17.258	WIS24 - 044050	48,495	25,118
WIA Rural Initiatives	17.258	WIS26 - 045572	59,240	26,727
Sector Based Initiatives	17.258	WIS24 - 044061	15,310	-
Hope Florida	17.258	WIS24 - 043973	20,702	12,178
Board Consolidation & Realignment	17.258	WIS24 - 044594	30,407	-
WIOA Strategic Focus	17.258	WIS26 - 045617	7,461	4,418
		17.258 Total	671,043	344,892
<i>Passed Through Florida Department of Commerce:</i>				
WIOA Youth Activities:				
WIA Youth Activities	17.259	WIY25 - 043878	656,457	404,574
WIA Youth Activities	17.259	WIY25 - 045252	310,128	74,043
WIOA Rural Initiatives	17.259	WIS24 - 044050	47,025	24,356
WIOA Rural Initiatives	17.259	WIS26 - 045572	54,162	24,436
Sector Based Initiatives	17.259	WIS24 - 044061	14,846	-
Hope Florida	17.259	WIS24 - 043973	20,075	11,809
Board Consolidation & Realignment	17.259	WIS24 - 044594	29,486	-
WIOA Strategic Focus	17.259	WIS26 - 045617	6,822	4,039
		17.259 Total	1,139,001	543,257

**CAREERSOURCE NORTH CENTRAL FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE INITIAL PERIOD ENDED SEPTEMBER 30, 2025**

Federal Grantor/Cluster/Pass-Through Grantor/ Federal Program Title/Subgrant Title	Federal Assistance Listing Number	Pass-Through Entity Award Number	Expenditures	Transfer to Subrecipients
Department of Labor (Continued)				
Workforce Innovation and Opportunity Act Cluster (Continued)				
<i>Passed Through Florida Department of Commerce:</i>				
WIOA Dislocated Worker Formula Grants:				
WIOA Dislocated Worker	17.278	WID24 - 043976	\$ 7,399	\$ -
WIOA Dislocated Worker	17.278	WID25 - 043956	507,442	273,268
WIOA Dislocated Worker	17.278	WID25 - 045526	67,452	38,686
WIOA Rapid Response	17.278	WIR25 - 043934	57	-
WIOA Rapid Response	17.278	WIR25 - 045548	15,329	9,698
WIOA Rural Initiatives	17.278	WIS24 - 044050	51,434	26,640
WIOA Rural Initiatives	17.278	WIS26 - 045572	55,855	25,200
Sector Based Initiatives	17.278	WIS24 - 044061	16,237	-
Hope Florida	17.278	WIS24 - 043973	21,957	12,916
Board Consolidation and Realignment	17.278	WIS24 - 044594	32,250	-
WIOA Strategic Focus	17.278	WIS26 - 045617	7,035	4,165
		17.278 Total	<u>782,447</u>	<u>390,573</u>
		Workforce Innovation and Opportunity Act Cluster Total	<u>2,592,491</u>	<u>1,278,722</u>
<i>Passed Through CareerSource Citrus Levy Marion:</i>				
H-1B Job Training Grants:				
Broadband Infrastructure Employment and Training	17.268	23A60HG000031	14,461	5,283
		17.268 Total	<u>14,461</u>	<u>5,283</u>
Department of Health and Human Services				
477 Cluster:				
<i>Passed Through Florida Department of Commerce:</i>				
Temporary Assistance for Needy Families:				
Welfare Transition Program	93.558	WTS25 - 44780	402,079	224,192
Welfare Transition Program	93.558	WTS25 - 45499	86,118	36,436
		93.558 Total	<u>488,197</u>	<u>260,628</u>
		477 Cluster Total	<u>488,197</u>	<u>260,628</u>
Total Federal Awards			<u>\$ 3,536,422</u>	<u>\$ 1,764,734</u>

**CAREERSOURCE NORTH CENTRAL FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE INITIAL PERIOD ENDED SEPTEMBER 30, 2025**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the Federal awards activity of CareerSource North Central Florida (CSNCFL) under programs of the federal government for the initial period ended September 30, 2025, in accordance with the 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).

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 allowed or are limited as to reimbursement.

Note 3 - Reconciliation of Financial Records to the Subrecipient Enterprise Resource Application (SERA)

The initial period to September 30, 2025, expenditure totals reported in CSNCFL's financial statements are reconciled to SERA report totals.

Note 4 - De Minimis Indirect Cost Rate Election

CSNCFL did not elect to use the 15 percent de minimis indirect cost rate as allowed under Uniform Guidance.

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

To the Board of Directors
CareerSource North Central Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of CareerSource North Central Florida (CSNCFL) as of September 30, 2025, and for the period from inception (March 2, 2025) to September 30, 2025, and the related notes to the financial statements, which collectively comprise CSNCFL's basic financial statements, and have issued our report thereon dated May 26, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CSNCFL'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CSNCFL's internal control. Accordingly, we do not express an opinion on the effectiveness of CSNCFL'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 CSNCFL's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on

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To the Board of Directors
CareerSource North Central Florida

**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**

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 non-compliance 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 result of that testing, and not to provide an opinion on the effectiveness of CSNCFL's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CSNCFL's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

May 26, 2026
Gainesville, Florida

INDEPENDENT AUDITOR'S 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
CareerSource North Central Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited CareerSource North Central Florida's (CSNCFL) 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 CSNCFL's major federal programs for the period from inception (March 2, 2025) to September 30, 2025. CSNCFL'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, CSNCFL 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 initial period ended September 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 (*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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CSNCFL 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 CSNCFL'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 CSNCFL's federal programs.

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To the Board of Directors
CareerSource North Central Florida

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the CSNCFL's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the special audit guidance provided by the State of Florida Department of Commerce, and the Uniform Guidance will always detect material non-compliance when it exists. The risk of not detecting material non-compliance 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. Non-compliance 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 CSNCFL'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*, the special audit guidance provided by the State of Florida Department of Commerce and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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 CSNCFL'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 CSNCFL'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 CSNCFL'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, non-compliance 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

To the Board of Directors
CareerSource North Central Florida

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

that material non-compliance 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 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.

Purvis Gray

May 26, 2026
Gainesville, Florida

**CAREERSOURCE NORTH CENTRAL FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2025**

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 deficiency(ies) identified?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards

Internal Control Over Major Programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of Auditor’s Report Issued on Compliance for Major Programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(A)?	No
Identification of Major Programs:	

**Assistance
Listing No.**

Federal Program

Workforce Innovation and Opportunity Act Cluster:	
WIOA Adult Program	17.258
WIOA Youth Activities	17.259
WIOA Dislocated Worker Formula Grants	17.278
Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Programs	\$1,000,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	No

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II. FINANCIAL STATEMENT FINDINGS

None.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

IV. SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

There were no prior audit findings reported.

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

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