

**BIG BEND JOBS AND  
EDUCATION COUNCIL, INC.  
D/B/A CAREERSOURCE CAPITAL REGION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.  
D/B/A CAREERSOURCE CAPITAL REGION  
TABLE OF CONTENTS  
JUNE 30, 2025**

|  | <b>Page(s)</b> |
|--|----------------|
| <b>Independent Auditors’ Report</b>  | 1 – 3          |
| <b>Management’s Discussion and Analysis</b>  | 4 – 7          |
| <b>Basic Financial Statements:</b>   |                |
| <b>Government-wide Financial Statements</b>  |                |
| Statement of Net Position  | 8              |
| Statement of Activities  | 9              |
| <b>Fund Financial Statements</b>   |                |
| Balance Sheet – Governmental Fund  | 10             |
| Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position  | 11             |
| Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund   | 12             |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund to the Statement of Activities  | 13             |
| Notes to Financial Statements  | 14 – 23        |
| <b>Schedule of Expenditures of Federal Awards</b>  | 24             |
| <b>Notes to Schedule of Expenditures of Federal Awards</b>   | 25             |
| <b>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 <i>Government Auditing Standards</i></b> | 26 – 27        |
| <b>Independent Auditors’ Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with Uniform Guidance</b>  | 28 – 30        |
| <b>Schedule of Findings and Questioned Costs</b>   | 31 – 35        |
| <b>Management’s Response to Findings</b>   | 36 – 37        |



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
Big Bend Jobs and Education Council, Inc.  
d/b/a CareerSource Capital Region:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities and the major fund of Big Bend Jobs and Education Council, Inc. d/b/a CareerSource Capital Region ("CareerSource Capital Region"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise CareerSource Capital Region'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 Capital Region, 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 Capital Region 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 (15) 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 Capital Region'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.

### ***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 Capital Region'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 Capital Region'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.

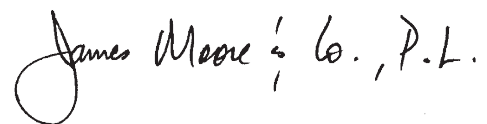
### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CareerSource Capital Region'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 17, 2026, on our consideration of CareerSource Capital Region'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 Capital Region's internal control over financial reporting and compliance.

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'.

Tallahassee, Florida  
March 17, 2026

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

Management is pleased to offer the following assessment of the operations of Big Bend Jobs and Education Council, Inc. d/b/a CareerSource Capital Region (“CareerSource Capital Region”) for the year ended June 30, 2025.

**Overview of Financial Statements**

This discussion and analysis is intended to serve as an introduction to CareerSource Capital Region’s basic financial statements. CareerSource Capital Region’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 Capital Region’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 Capital Region’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 Capital Region is improving or deteriorating.

The *statement of activities* presents information showing how CareerSource Capital Region’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. CareerSource Capital Region uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. CareerSource Capital Region maintains one fund, which is the general fund.

**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*.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**  
(Continued)

**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.

**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 Capital Region and the related expenditures for the fiscal year ended June 30, 2025.

**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**

|                                  | <b>2025</b> | <b>2024 (Restated)</b> |
|----------------------------------|-------------|------------------------|
| Current assets                   | \$ 981,068  | \$ 905,868             |
| Capital assets, net              | 442,830     | 895,988                |
| Total assets                     | 1,423,898   | 1,801,856              |
| Current liabilities              | 895,193     | 889,669                |
| Noncurrent liabilities           | 181,593     | 540,068                |
| Total liabilities                | 1,076,786   | 1,429,737              |
| Unrestricted                     | 359,315     | 395,639                |
| Net investment in capital assets | (12,203)    | (23,520)               |
| Net position                     | \$ 347,112  | \$ 372,119             |

**Condensed Statements of Activities**

|                                      | <b>2025</b>  | <b>2024 (Restated)</b> |
|--------------------------------------|--------------|------------------------|
| <b>Program Revenues</b>              |              |                        |
| Operating grants and contributions   | \$ 4,766,731 | \$ 5,033,486           |
| Total program revenues               | 4,766,731    | 5,033,486              |
| <b>General Revenues</b>              |              |                        |
| Other                                | 68,135       | 77,821                 |
| Total revenues                       | 4,834,866    | 5,111,307              |
| <b>Expenses</b>                      |              |                        |
| Training, retraining, and adjustment | 4,859,873    | 5,128,687              |
| Change in net position               | (25,007)     | (17,380)               |
| Net position, beginning of year      | 372,119      | 389,499                |
| Net position, end of year            | \$ 347,112   | \$ 372,119             |

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

During fiscal year 2025, the Organization restated its fiscal year 2024 financial statements to correct an error related to improperly recorded grants receivables. The restatement increased current assets by \$131,045 and unrestricted net position by \$131,045. The impact of the restatement is reflected in the comparative information presented in this MD&A.

**Financial Highlights**

The liabilities of CareerSource Capital Region exceeded its assets at June 30, 2025, by \$347,112.

**Governmental activities.** Governmental activities decreased CareerSource Capital Region’s net position by \$25,007. Key elements of this decrease are as follows:

The decrease in net position for the year ending June 30, 2025, is due primarily to the use of unrestricted funds accumulated in prior years, with no associated revenue to offset them in the current year. These funds were received and recognized in prior years. In addition, net position was restated to correct a misstatement as discussed in note 15.

**Capital Assets**

CareerSource Capital Region’s investment in capital assets (including right-to-use leased assets) for its governmental activities as of June 30, 2025, amounts to \$442,830 (net of accumulated depreciation). This investment in capital assets includes machinery and equipment, leasehold improvements and right-to-use leased assets.

**Budgetary Highlights**

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

**Economic Factors**

CareerSource Capital Region currently is not aware of any conditions that are expected to have a significant effect on CareerSource Capital Region ‘s financial position or results of operations.

**Debt Administration**

CareerSource Capital Region'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.

## **Request for Information**

This report is designed to provide a general overview of Big Bend Jobs and Education Council, Inc.'s finances for all those with an interest in Big Bend Jobs and Education Council, Inc.'s finances. Questions concerning any of the information in this report or requests for additional information should be addressed as follows:

Big Bend Jobs and Education Council, Inc.  
d/b/a CareerSource Capital Region  
2910 Kerry Forest Parkway  
Suite D4-273  
Tallahassee, Florida 32309

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

|  | <u><b>Governmental<br/>Activities</b></u> |
|--|---|
| <b>ASSETS</b>  |   |
| Cash and cash equivalents  | \$ 359,518                                |
| Grant, contract and other receivables                            | 618,769                                   |
| Prepays  | 2,781                                     |
| Capital assets, net of accumulated depreciation and amortization | 442,830                                   |
| Total assets   | <u><u>\$ 1,423,898</u></u>                |
| <br><b>LIABILITIES</b>   |   |
| Accounts payable and accrued expenses                            | \$ 203,486                                |
| Interest payable   | 2,110                                     |
| Unearned revenue   | 266,705                                   |
| Compensated absences, current portion                            | 22,418                                    |
| Lease liability, current portion                                 | 400,474                                   |
| Noncurrent liabilities:  |   |
| Compensated absences, noncurrent portion                         | 127,034                                   |
| Lease liability, noncurrent portion                              | 54,559                                    |
| Total liabilities  | <u><u>\$ 1,076,786</u></u>                |
| <br><b>NET POSITION</b>  |   |
| Unrestricted   | \$ 359,315                                |
| Net investment in capital assets                                 | (12,203)                                  |
| Total net position   | <u><u>\$ 347,112</u></u>                  |

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

|                                       | PROGRAM REVENUES |  |                   | NET (EXPENSE)<br>REVENUE AND<br>CHANGES IN NET<br>POSITION |
|---------------------------------------|------------------|--|-------------------|--|
| FUNCTIONS/PROGRAMS                    | EXPENSES         | OPERATING<br>GRANTS AND<br>CONTRIBUTIONS                 | CAPITAL<br>GRANTS | GOVERNMENTAL<br>ACTIVITIES                                 |
| Governmental activities:              |                  |  |                   |  |
| Training, retraining and readjustment | \$ 4,859,873     | \$ 4,766,731   | \$ -              | \$ (93,142)  |
| Total governmental activities         | \$ 4,859,873     | \$ 4,766,731   | \$ -              | \$ (93,142)  |
|                                       |                  | General revenues:  |                   |  |
|                                       |                  | Other  |                   | 68,135   |
|                                       |                  | Change in net position                                   |                   | (25,007)   |
|                                       |                  | Net position, beginning of year, as previously presented |                   | 241,074  |
|                                       |                  | Error correction   |                   | 131,045  |
|                                       |                  | Net position, beginning of year, as restated             |                   | 372,119  |
|                                       |                  | Net position, end of year                                |                   | \$ 347,112   |

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**JUNE 30, 2025**

|                                       | <b>General Fund</b> |
|---------------------------------------|---------------------|
| <b>ASSETS</b>                         |                     |
| Cash and cash equivalents             | \$ 359,518          |
| Grant, contract and other receivables | 618,769             |
| Prepays                               | 2,781               |
| Total assets                          | \$ 981,068          |
| <b>LIABILITIES</b>                    |                     |
| Accounts payable and accrued expenses | \$ 203,486          |
| Unearned revenue                      | 266,705             |
| Total liabilities                     | 470,191             |
| <b>FUND BALANCE</b>                   |                     |
| Nonspendable                          | 2,781               |
| Unassigned                            | 508,096             |
| Total fund balance                    | 510,877             |
| Total liabilities and fund balance    | \$ 981,068          |

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.  
D/B/A CAREERSOURCE CAPITAL REGION  
RECONCILIATION OF THE BALANCE SHEET — GOVERNMENTAL FUND  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025**

|   |                                 |
|---|---------------------------------|
| <b>Fund balances - total governmental fund</b>  | <b>\$ 510,877</b>               |
| 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   | 270,269                         |
| Less: accumulated depreciation  | <u>41,625</u>                   |
| Right-to-use leased assets and liabilities used in governmental activities are not financial resources and, therefore, are not reported in the funds. |                                 |
| Lease asset   | 1,896,176                       |
| Accumulated amortization  | (1,494,971)                     |
| Lease liability   | <u>(53,828)</u>                 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.                                    |                                 |
| Interest payable  | (2,110)                         |
| Compensated absences  | <u>(151,562)</u>                |
| <b>Net position of governmental activities</b>  | <u><u><u>\$ 347,112</u></u></u> |

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.  
D/B/A CAREERSOURCE CAPITAL REGION  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE — GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025**

|   | <b>General Fund</b> |
|---|---------------------|
| <b>Revenues</b>   |                     |
| Grants and contracts  | \$ 4,766,731        |
| Other   | 68,135              |
| Total revenues  | 4,834,866           |
| <b>Expenditures</b>   |                     |
| Personnel and benefits  | 1,330,574           |
| Accounting and auditing   | 28,275              |
| Advertising and marketing                                       | 23,169              |
| Communications, systems and utilities                           | 297,843             |
| Furniture and equipment   | 5,796               |
| Printing and supplies   | 24,234              |
| Short-term lease  | 22,022              |
| Direct program  | 2,290,457           |
| Insurance   | 38,396              |
| Professional fees   | 2,820               |
| Repairs and maintenance   | 30,582              |
| Other   | 226,344             |
| Debt service:   |                     |
| Principal   | 460,280             |
| Interest  | 38,877              |
| Total expenditures  | 4,819,669           |
| <b>Net change in fund balance</b>                               | 15,197              |
| <b>Fund balance, beginning of year, as previously presented</b> | 364,635             |
| <b>Error correction</b>   | 131,045             |
| <b>Fund balance, beginning of year, as restated</b>             | 495,680             |
| <b>Fund balance, end of year</b>                                | \$ 510,877          |

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.  
D/B/A CAREERSOURCE CAPITAL REGION  
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**

Amounts reported for governmental activities in the statement of activities are different because:

|  |           |             |
|--|-----------|-------------|
| Net change in fund balances-total governmental funds   |           | \$ 15,197   |
| Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues and expenditures in governmental funds.  |           |             |
| Changes in:  |           |             |
| Compensated absences   | (49,411)  |             |
| Interest payable   | 2,084     | (47,327)    |
| 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. This is the amount of capital outlay and depreciation and amortization expense in the current period |           |             |
| Depreciation   | (14,138)  |             |
| Amortization   | (439,019) | (453,157)   |
| The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds   |           |             |
| Long-term lease liability - repayment of principle   | 460,280   | 460,280     |
| Change in net position of governmental activities:   |           | \$ (25,007) |

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**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 Big Bend Jobs and Education Council, Inc. d/b/a CareerSource Capital Region (“CareerSource Capital Region”), which affect significant elements of the accompanying basic financial statements:

(a) **Description of government wide financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of CareerSource Capital Region. Governmental activities are normally supported by intergovernmental revenues and other nonexchange transactions.

(b) **Reporting entity**—CareerSource Capital Region 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 Capital Region 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 5 Local Workforce Investment Area which is comprised of Gadsden, Leon and Wakulla counties. The governing board of CareerSource Capital Region consists of thirty-seven members who are appointed by state and local officials.

The governing board of CareerSource Capital Region is the Board of Directors. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of CareerSource Capital Region (the primary government unit) and its component units. There were no entities that required inclusion as a component unit within CareerSource Capital Region's financial statements.

(c) **Basis of presentation – government-wide financial statements**—While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund. Separate financial statements are provided for the governmental fund.

(d) **Basis of presentation – fund financial statements**—The fund financial statements provide information about CareerSource Capital Region’s fund. CareerSource Capital Region reports one governmental fund:

The general fund is established to account for resources devoted to financing the general operations of CareerSource Capital Region. All operating resources are recorded in the general fund.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

(e) **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 recognized in the period earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Amounts reported as program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Items not properly included among program revenues are reported as general revenues.

All governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available. Available means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, CareerSource Capital Region considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. The principal exceptions to this are: principal and interest on general long-term debt, which are recorded as expenditures only when payment is due.

CareerSource Capital Region'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. 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.

(f) **Deposits and investments**—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.

(g) **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.

(h) **Capital assets**—Capital assets acquired by CareerSource Capital Region are considered to be owned by CareerSource Capital Region. 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.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

Capital assets with a value greater than \$5,000 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.

(i) **Long-term obligations**—In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities fund type statement of net position.

(j) **Leases**—CareerSource Capital Region leases building facilities and determines if an arrangement is a lease at inception. CareerSource Capital Region recognizes intangible right-to-use (RTU) assets and corresponding lease liabilities for all leases that are not considered short-term. RTU assets represent the CareerSource Capital Region's right to use an underlying asset for the lease term and lease liabilities represent CareerSource Capital Region'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 Capital Region, or CareerSource Capital Region is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities will be CareerSource Capital Region's incremental borrowing rate (IBR), which will be the rate utilized for the subsequent fiscal year. CareerSource Capital Region's IBR was 5.50% at June 30, 2025, and was the discount rate utilized for applicable leases beginning July 1, 2021, and applicable lease conversions.

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

(k) **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.

(l) **Compensated absences**—Eligible employees earn paid time off at varying rates based upon length of employment. Paid time off is accrued as earned by employees and recorded as an expense in the period earned. The total accumulated paid time off is paid out to eligible employees at termination.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

(m) **Grant, contract and other receivables**—Grant, contract, and other receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management’s assessment of the credit history with grantors, contractors, and subrecipients having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

(n) **Net position flow assumption**—Sometimes CareerSource Capital Region will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is CareerSource Capital Region’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

(o) **Fund balance flow assumptions**—Sometimes CareerSource Capital Region will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is CareerSource Capital Region’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.

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of CareerSource Capital Region’s highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for CareerSource Capital Region that can, by passing a motion prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by CareerSource Capital Region for specific purposes but do not meet the criteria to be classified as committed. The Board of Directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

Additionally, CareerSource Capital Region has nonspendable fund balance. This includes amounts that cannot be spent because they are either: (a) not in spendable form; or (b) are legally or contractually required to be maintained intact.

(q) **Revenues and expenditures/expenses**—Generally, revenue is received from the State of Florida, Department of Commerce and is earned on a cost reimbursement basis.

(r) **Budgets**—The general expenditure authority of CareerSource Capital Region, 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.

(2) **Deposits:**

*Custodial credit risk-deposits.* In the case of deposits, this is the risk that in the event of a bank failure, CareerSource Capital Region’s deposits may not be returned. At year end, the carrying amount of deposits was \$359,518 and the bank balance was \$378,654. Of the bank balance, \$250,000 was insured up to Federal Deposit Insurance Corporation (“FDIC”) limits.

(3) **Retirement Plan:**

CareerSource Capital Region sponsors a defined contribution 401(k) profit sharing plan which covers substantially all employees. The amount of retirement expense for the year ended June 30, 2025, was \$72,530.

(4) **Unearned Revenue:**

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the June 30, 2025, unearned revenue from grant drawdowns made prior to meeting all requirements was \$266,705.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

(5) **Capital Assets:**

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

|                                   | <b>Balance</b><br>07/01/24 | <b>Increases</b>    | <b>Decreases</b> | <b>Balance</b><br>06/30/25 |
|-----------------------------------|----------------------------|---------------------|------------------|----------------------------|
| Furniture, fixtures and equipment | \$ 274,107                 | \$ -                | \$ (30,271)      | \$ 243,836                 |
| Leasehold improvements            | 26,433                     | -                   | -                | 26,433                     |
| Right-to-use leased assets        | 1,896,176                  | -                   | -                | 1,896,176                  |
| Total capital assets              | 2,196,716                  | -                   | (30,271)         | 2,166,445                  |
| Less accumulated depreciation     | (244,777)                  | (14,138)            | 30,271           | (228,644)                  |
| Less accumulated amortization     | (1,055,951)                | (439,020)           |                  | (1,494,971)                |
| Capital assets, net               | <u>\$ 895,988</u>          | <u>\$ (453,158)</u> | <u>\$ -</u>      | <u>\$ 442,830</u>          |

Depreciation expense was \$14,138, and amortization expense for right-to-use lease assets was \$439,020 for the year ended June 30, 2025.

(6) **Leases:**

CareerSource Capital Region has leases in effect for buildings with terms ending from fiscal years 2025 through 2027. The buildings are considered a right-to-use assets of CareerSource Capital Region. For disclosure purposes, this lease excludes ancillary costs included in the lease, such as utilities.

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

| <b>Year Ending June 30,</b>         | <b>Principal</b>  | <b>Interest</b>  | <b>Total</b>      |
|-------------------------------------|-------------------|------------------|-------------------|
| 2026                                | \$ 400,474        | \$ 13,846        | \$ 414,320        |
| 2027                                | 54,559            | 376              | 54,935            |
| Total future minimum lease payments | <u>\$ 455,033</u> | <u>\$ 14,222</u> | <u>\$ 469,255</u> |

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

(7) **Long-term Liabilities:**

*Changes in Long-term Liabilities.* Long-term liability activity for the year ended June 30, 2025, was as follows:

|                                | <u>Balance</u><br>07/01/24 | <u>Additions</u> | <u>Reductions</u>   | <u>Balance</u><br>06/30/25 | <u>Due in</u><br><u>one year</u> |
|--------------------------------|----------------------------|------------------|---------------------|----------------------------|----------------------------------|
| <b>Governmental activities</b> |                            |                  |                     |                            |                                  |
| Lease liability                | \$ 915,313                 | \$ -             | \$ (460,280)        | \$ 455,033                 | \$ 400,474                       |
| Compensated absences           | 100,041                    | 49,411           | -                   | 149,452                    | 22,418                           |
| Total Long-term liabilities    | <u>\$ 1,015,354</u>        | <u>\$ 49,411</u> | <u>\$ (460,280)</u> | <u>\$ 604,485</u>          | <u>\$ 422,892</u>                |

(8) **Related Parties:**

Certain board members are employees of entities that provide services either directly or indirectly to CareerSource Capital Region. The board members that are affiliated with these entities do not directly benefit as they do not hold higher positions and are not directly involved in the daily operations. The total amount of services provided for the year ended June 30, 2025, is as follows:

Economic Development Assistance     \$ 11,314

There were no amounts payable to related parties at June 30, 2025.

(9) **Risk Management:**

CareerSource Capital Region 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 Capital Region carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Personal Property
- Public Officials' Liability

(10) **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 CareerSource Capital Region expects such amounts, if any, to be immaterial.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

(10) **Contingencies:** (Continued)

**Additional Items** - CareerSource Capital Region is currently subject to an investigation by the Florida Office of Inspector General related to certain financial and administrative matters. As of March 17, 2026, the date of the financial statements were available to be issued, the investigation remains ongoing and as of March 17, 2026, the Office of Inspector General have issued tentative and preliminary findings to the Organization. Management is cooperating fully with the investigation. Because the matter is still in process, the ultimate outcome and any potential material impact to the financial statements cannot be determined at this time.

(11) **Income Taxes:**

CareerSource Capital Region is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for income taxes has been made in the accompanying financial statements.

CareerSource Capital Region is exempt from requirements to file income tax returns in the U.S. Federal jurisdiction.

CareerSource Capital Region has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes and determined that there are no uncertain tax positions that would have a material impact on the financial statements of CareerSource Capital Region. CareerSource Capital Region's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

(12) **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 Capital Region'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 Capital Region 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.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

(12) **Recent Accounting Pronouncements:** (Continued)

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 implementation of the Statement did not have a material effect on the CareerSource Capital Region.

c) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. GASB Statement No. 103 (GASB 103) amends various provisions regarding the calculation methodology and required disclosures related to the liability for compensated absences. 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.

(13) **Significant Funding Source:**

CareerSource Capital Region 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 CareerSource Capital Region's programs and activities.

(14) **Subsequent Events:**

CareerSource Capital Region has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 17, 2026, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

(15) **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 understatement of grants receivable due to improper recording in the prior period. The net effect of these adjustments on beginning fund balance and beginning net position were as follows.

|   | <b><u>Fund Balance</u></b><br><b><u>General Fund</u></b>            |
|---|---|
| Fund Balance – 6/30/24, originally reported | \$ 364,635  |
| Grants receivable restatements              | 131,045   |
| Fund Balance – 6/30/24, as restated         | \$ 495,680  |
|   |   |
|   | <b><u>Net Position</u></b><br><b><u>Governmental Activities</u></b> |
| Net position – 6/30/24, originally reported | \$ 241,074  |
| Grants receivable restatements              | 131,045   |
| Net position – 6/30/24, as restated         | \$ 372,119  |

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

| Federal Grantor/Pass-Through Entity/<br>Federal Program or Cluster Title                | Federal<br>Assistance<br>Listing<br>Number | Pass-Through<br>Entity<br>Identification<br>Number | Federal<br>Expenditures | Amount to<br>Subrecipients |
|---|--|--|-------------------------|----------------------------|
| <b>FEDERAL AGENCY</b>   |  |  |                         |                            |
| <b>Department of Health and Human Services</b>  |  |  |                         |                            |
| Passed through Florida Department of Commerce:  |  |  |                         |                            |
| Temporary Assistance to Needy Families  | 93.558                                     | WTS24  | \$ 139,892              | \$ 6,561                   |
| Temporary Assistance to Needy Families  | 93.558                                     | WTS24  | 219,801                 | 183,355                    |
| Temporary Assistance to Needy Families  | 93.558                                     | WTS25  | 653,373                 | 320,499                    |
|   |  |  | <u>1,013,066</u>        | <u>510,415</u>             |
| <b>United States Department of Labor:</b>   |  |  |                         |                            |
| Passed through the State of Florida, Department of Commerce:                            |  |  |                         |                            |
| Employment Service Cluster:   |  |  |                         |                            |
| Employment Service/Wagner-Peyser Funded Activities                                      | 17.207                                     | WPA24  | 26,495                  | 5,674                      |
| Employment Service/Wagner-Peyser Funded Activities                                      | 17.207                                     | WPB24  | 4,734                   | -                          |
| Employment Service/Wagner-Peyser Funded Activities                                      | 17.207                                     | WPB24  | 37,941                  | 24,903                     |
| Employment Service/Wagner-Peyser Funded Activities                                      | 17.207                                     | WPA25  | 229,648                 | 7,832                      |
| Employment Service/Wagner-Peyser Funded Activities                                      | 17.207                                     | WPB25  | 37,429                  | 31,389                     |
| Employment Service/Wagner-Peyser Funded Activities                                      | 17.207                                     | WPB25  | 56,662                  | 1,479                      |
| Disable Veterans' Outreach Program (DVOP)   | 17.801                                     | DVP24  | 16,999                  | 2,077                      |
| Disable Veterans' Outreach Program (DVOP)   | 17.801                                     | DVP25  | 27,228                  | 2,276                      |
| Local Veterans' Employment Representatives (LVER)                                       | 17.801                                     | LVR24  | 5,828                   | 145                        |
| Local Veterans' Employment Representatives (LVER)                                       | 17.801                                     | LVR25  | 18,982                  | 1,425                      |
| Total Employment Service Cluster  |  |  | <u>461,946</u>          | <u>77,200</u>              |
| Unemployment Compensation   | 17.225                                     | UCR23  | 43,925                  | 25,428                     |
| Unemployment Compensation   | 17.225                                     | UCR24  | 70,340                  | 36,941                     |
| Total Unemployment Compensation   |  |  | <u>114,265</u>          | <u>62,369</u>              |
| National Emergency Grants   | 17.277                                     | WNT24  | 26,327                  | 21,529                     |
| Total National Emergency Grants   |  |  | <u>26,327</u>           | <u>21,529</u>              |
| Workforce Innovation and Opportunity Act Cluster:                                       |  |  |                         |                            |
| WIOA Adult Program  | 17.258                                     | WIA24  | 380,376                 | 122,064                    |
| WIOA Adult Program  | 17.258                                     | WIA25  | 668,744                 | 322,194                    |
| WIOA Adult Program  | 17.258                                     | WIR25  | 38,489                  | 1,005                      |
| WIOA Adult Program  | 17.258                                     | WIS24  | 145                     | -                          |
| WIOA Adult Program  | 17.258                                     | WIS24  | 24,000                  | -                          |
| WIOA Adult Program  | 17.258                                     | WIS24  | 9,600                   | -                          |
| WIOA Youth Activities   | 17.259                                     | WIY25  | 1,187,250               | 435,446                    |
| WIOA Youth Activities   | 17.259                                     | WIR25  | 37,286                  | 973                        |
| WIOA Youth Activities   | 17.259                                     | WIS24  | 140                     | -                          |
| WIOA Youth Activities   | 17.259                                     | WIS24  | 23,250                  | -                          |
| WIOA Youth Activities   | 17.259                                     | WIS24  | 9,300                   | -                          |
| WIOA Dislocated Worker Formulas Grants  | 17.278                                     | WID24  | 531,718                 | 36,414                     |
| WIOA Dislocated Worker Formulas Grants  | 17.278                                     | WID25  | 51,316                  | 17,403                     |
| WIOA Dislocated Worker Formulas Grants  | 17.278                                     | WIR25  | 44,503                  | 1,140                      |
| WIOA Dislocated Worker Formulas Grants  | 17.278                                     | WIS24  | 167                     | -                          |
| WIOA Dislocated Worker Formulas Grants  | 17.278                                     | WIS24  | 27,750                  | -                          |
| WIOA Dislocated Worker Formulas Grants  | 17.278                                     | WIS24  | 11,100                  | -                          |
| Total Workforce Innovation and Opportunity Act Cluster                                  |  |  | <u>3,045,134</u>        | <u>936,639</u>             |
| <b>Total United States Department of Labor</b>  |  |  | <u>3,647,672</u>        | <u>1,097,737</u>           |
| <b>U.S. Department of Agriculture</b>   |  |  |                         |                            |
| Passed through the State of Florida, Department of Commerce:                            |  |  |                         |                            |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Programs | 10.561                                     | FSH24  | 16,404                  | 16,404                     |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Programs | 10.561                                     | FSH25  | 89,589                  | 41,074                     |
| Total Child Nutrition Cluster   |  |  | <u>105,993</u>          | <u>57,478</u>              |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>   |  |  | <u>\$ 4,766,731</u>     | <u>\$ 1,665,630</u>        |

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

**BIG BEND JOBS AND EDUCATION COUNCIL, INC., D/B/A  
CAREERSOURCE CAPITAL REGION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal awards activity of Big Bend Jobs and Education Council, Inc. d/b/a CareerSource Capital Region (“CareerSource Capital Region”) under programs of the federal government for the year ended June 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). Because the Schedule presents only a selected portion of the operations of CareerSource Capital Region it is not intended to and does not present the financial position, changes in net assets, or cash flows of CareerSource Capital Region.

(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 Capital Region has elected not to use the de minimis indirect cost rate as allowed under Uniform Guidance.



**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,  
Big Bend Jobs and Education Council, Inc. d/b/a CareerSource Capital Region:

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 Big Bend Jobs and Education Council, Inc. ("CareerSource Capital Region") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise CareerSource Capital Region's basic financial statements, and have issued our report thereon dated March 17, 2026.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered CareerSource Capital Region'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 Capital Region's internal control. Accordingly, we do not express an opinion on the effectiveness of CareerSource Capital Region'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 Capital Region'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 accompanying schedule of findings and questions costs as item 2025-001, 2025-002, 2025-003, 2025-004, and 2025-005 that we consider to be material weaknesses.

### ***Report on Compliance and Other Matters***

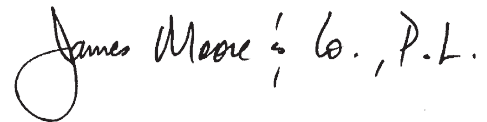
As part of obtaining reasonable assurance about whether CareerSource Capital Region's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

*Government Auditing Standards* requires the auditor to perform limited procedures on the CareerSource Capital Region's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. CareerSource Capital Region'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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Tallahassee, Florida  
March 17, 2026



**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,  
Big Bend Jobs and Education Council, Inc.  
d/b/a CareerSource Capital Region

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

In our opinion, the Organization complied, in all material respects, with the 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' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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*, Uniform Guidance, and 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.

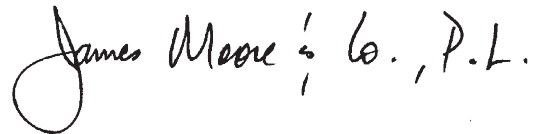
### **Report on Internal Control Over Compliance**

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, prominent initial "J" that loops around the first part of the name.

Tallahassee, Florida  
March 17, 2026

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.  
D/B/A CAREERSOURCE CAPITAL REGION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2025**

**I. Summary of Auditors' Results:**

*Financial Statements*

A. 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

Types of auditor's report issued on compliance for major Federal programs: *Unmodified*

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

B. Identification of major programs:

| <b>Federal Program</b>   | <b>Assistance Listing Number</b>  |
|--|-----------------------------------|
| Temporary Assistance to Needy Families                                   | 93.558                            |
| Dollar threshold used to distinguish between type A and type B programs: | \$750,000                         |
| Auditee qualified as low-risk auditee?                                   | <u>  X  </u> yes <u>      </u> no |

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**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, refundable advances, and grants receivable with some adjustments were related to the current year and some were 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.

*Condition:* Year-end balances such as net position, refundable advances, 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 and to verify all required adjustments are made.

**2025-002 – Improper Controls Over Cash Draws**

*Criteria:* CareerSource's agreement with the Florida Department of Commerce (DOC) and its subgrantee award agreement states that auditors are required to test compliance with cash management requirements and to report any material problems. Cash management requirements further require that drawdowns of grant funds be properly authorized, reviewed, and supported to ensure that funds are requested only for allowable and incurred expenditures and that adequate internal controls are maintained. During our testing of controls and compliance over cash draws, we noted that cash draws were not subject to documented independent review and approval.

*Condition:* For 8 of 8 cash draws selected for testing, we noted that the former CFO both prepared and submitted the cash draw request, with no evidence of secondary review or approval by the former CEO or other authorized personnel. There was no documented evidence of independent oversight over the draw process.

*Cause:* The cause was inadequate internal controls over cash management procedures, including a lack of segregation of duties and absence of a formalized approval process for grant drawdowns.

*Effect:* The lack of independent review increases the risk of improper cash draws. The Organization was not following cash management control expectations and increased its risk of requesting funds that were unsupported, inaccurate, or not in alignment with allowable expenditures.

*Recommendation:* We recommend the Organization implement and document a formal review and approval process for all grant cash draws, ensuring that preparation and submission functions are segregated and that an independent, authorized individual reviews and approves each draw in accordance with DOC compliance guidelines and the Organization's internal control policies.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2025**  
(Continued)

**2025-003 – Improper Disbursement Approval and Lack of Segregation of Duties**

*Criteria:* Management is responsible for establishing and maintaining effective internal controls over disbursements, including proper review and approval of all reimbursements and vendor payments and adequate segregation of duties. During our testing of additional cash disbursements in response to the tentative and preliminary report issued by the Florida Department of Commerce Office of Inspector General (OIG), we noted multiple instances where expense reimbursements to the former CEO and CFO and other vendor disbursements lacked documented approval. We further noted instances where the former CFO was both the individual receiving reimbursement and the individual approving invoices, with no evidence of independent review. Additionally, we identified travel reimbursements paid to the former CEO without evidence of independent review and approval.

*Condition:* Disbursements and reimbursements were processed without proper documented approval per Organization written policy, and in certain cases, the individual receiving payment also approved the transaction. There was no evidence that another qualified individual reviewed and approved these transactions, including reimbursements to executive leadership.

*Cause:* The cause was inadequate segregation of duties and the absence of clearly defined and enforced approval procedures, including executive-level reimbursements. Written policies did not sufficiently address independent review requirements for CEO reimbursements or prevent self-approval of disbursements.

*Effect:* The Organization was exposed to an increased risk of unauthorized, improper, or unsupported disbursements. The lack of segregation of duties and independent review weakens internal control over financial reporting and increases the risk of material misstatement or misappropriation of assets.

*Recommendation:* We recommend the Organization strengthen internal controls by requiring documented independent review and approval for all reimbursements and disbursements, ensuring that individuals do not approve payments made to themselves. We also recommend formally incorporating into written policy a requirement that CEO reimbursements be reviewed and approved by an independent party, such as the Board Chair or another designated board member.

**2025-004 – Improper Safeguarding of Assets**

*Criteria:* Management is responsible for establishing and maintaining effective internal controls to ensure that Organization assets are properly safeguarded and that purchases are billed to and delivered to authorized Organization locations. During our testing of additional cash disbursements in response to the tentative and preliminary report issued by the OIG, we noted multiple instances where prepaid gas cards were billed and shipped directly to the former CFO's personal residence. We further noted several purchases, primarily from Amazon, that were shipped to the personal residences of the former CFO or CEO, as well as instances where items were billed directly to a personal residence rather than the Organization, including one instance involving the Director of Human Resources.

*Condition:* Organization assets and purchased items were billed to and delivered at personal residences rather than authorized Organization locations. These practices indicate that assets were not consistently safeguarded and that controls surrounding billing and shipping procedures, particularly for remote workers, were insufficient.

*Cause:* The cause was a lack of sufficient controls over the safeguarding of assets, particularly in relation to remote work arrangements, and inadequate enforcement of policies requiring Organization purchases to be billed to and delivered at authorized Organization locations.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2025**  
(Continued)

*Effect:* Organization assets were not properly safeguarded and were exposed to an increased risk of misappropriation, misuse, or loss. The use of personal addresses for billing and shipping also weakens accountability and impairs the Organization’s ability to maintain an effective audit trail over assets and Organization supplies.

*Recommendation:* We recommend the Organization strengthen controls over asset safeguarding by requiring all purchases to be billed to and shipped to authorized Organization locations, prohibiting the use of personal addresses or information for Organization transactions, and establishing clear policies governing remote work and the custody of Organization assets.

**2025-005 – Lack of Business Purpose and Lack of Sufficient Documentation**

*Criteria:* Management is responsible for establishing and maintaining effective internal controls to ensure that all disbursements are properly authorized, supported by adequate documentation, and clearly demonstrate a legitimate business purpose. During our testing of additional cash disbursements in response to the tentative and preliminary report issued by the OIG, we noted multiple instances where disbursements and personnel reimbursements lacked sufficient supporting documentation and did not clearly define the business purpose of the expenditure. For certain reimbursements to the former CFO, we were unable to ascertain whether the transactions were for Organization purposes or personal use. We further noted the use of a personal Yahoo email account for Organization business and payments made in cash without a sufficient audit trail.

*Condition:* Multiple disbursements and reimbursements were processed without adequate documentation to substantiate the charges or clearly identify the related business purpose. In certain instances, the supporting documentation was insufficient to determine whether the expense was organizational or personal in nature. Additionally, certain Organization business communications were conducted through a personal email account, and some cash payments lacked a clear supporting trail.

*Cause:* The cause was inadequate oversight and enforcement of existing documentation and approval policies, as well as a lack of clear controls prohibiting the use of personal accounts and informal payment methods for Organization business.

*Effect:* The effect was that Organization funds spent could not be clearly identified with Organization activities, potentially exposing the Organization to misappropriation of assets or noncompliance with Florida DOC requirements.

*Recommendation:* We recommend that the Organization strengthen internal controls by requiring detailed supporting documentation and explicit business purpose for all disbursements and reimbursements, prohibiting the use of personal email accounts and other personal information for Organization business, enhancing independent review of executive-level reimbursements, and implementing improved documentation and retention procedures to ensure a complete audit trail for all payments.

**III. Federal Award Findings and Questioned Costs:**

None.

**IV. Summary Schedule of Prior Year Findings:**

There were no audit findings for the year ended June 30, 2024.

**V. Corrective Action Plan:**

See the Organization’s Response to Findings on page 36.

**BIG BEND JOBS AND EDUCATION COUNCIL, INC.**  
**D/B/A CAREERSOURCE CAPITAL REGION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2025**  
(Continued)

**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.       | Yes                          |
| b. | Net assets of each federal award equaled zero.  | No, see<br>2025-006<br>below |
| c. | Federal awards did not have negative cash balances without sufficient explanation.  | Yes                          |
| 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.   | No, see<br>2025-007<br>below |

**2025-006 – Net assets for Federal Awards**

During our testing of the Florida Department of Commerce (DOC) requirements, we noted that the Organization had the following noncompliance: multiple federal awards had nets assets which did not equal zero. This was due to the Organization’s current set up of the chart of accounts. We recommend that the Organization ensure that any grants which have been closed out from prior years do not continue to show net assets in subsequent years.

**2025-007 – Improper Approval of Cash Draws**

During our testing of the Florida Department of Commerce (DOC) requirements, we noted that the Organization had the following noncompliance: multiple instances of cash draws not being properly approved. This was due to the former CFO not leaving any physical or documented approvals behind for cash draws completed before year-end before separation of employment subsequent to year end. We recommend that the Organization ensure that all DOC cash draws are properly substantiated by documented approvals at the time of the draw and retain for reference and documentation.



## **Management's Response to Findings**

### **2025-001 – Reconciliation of Account Balances**

- Management concurs with the finding. CareerSource Capital Region has strengthened its month-end and year-end close procedures to ensure general ledger balances are fully reconciled to the Florida Department of Commerce Subrecipient Enterprise Resource Application (SERA) grant summary reports. Management has implemented a documented reconciliation checklist for grants receivable, refundable advances/unearned revenue, and net position/fund balance; and will perform a final tie-out to SERA prior to issuance of year-end financial reports. These procedures are in effect for the current fiscal year and will be monitored by the Finance Director with periodic reporting to executive leadership.

### **2025-002 – Improper Controls Over Cash Draws**

- Management concurs with the finding. CareerSource Capital Region has implemented a formal cash draw review and approval process to ensure drawdowns are supported by allowable, incurred expenditures and are independently reviewed prior to submission. Draw packages now include supporting expenditure detail and documented approval by an authorized reviewer who is not involved in preparation. Draw documentation is retained in a centralized repository in accordance with record retention requirements. These controls are effective immediately.

### **2025-003 – Improper Disbursement Approval & Lack of Segregation of Duties**

- Management concurs with the finding. CareerSource Capital Region has revised its disbursement and reimbursement approval procedures to reinforce segregation of duties and ensure independent review for all payments, including executive reimbursements. Reimbursements and vendor payments now require documented approval by an authorized approver who is not the payee and not the preparer, and the accounting function will not process transactions without complete approval documentation. Executive-level reimbursements are subject to an additional independent approval consistent with governance expectations (e.g., designated Board officer or designee), and self-approval is prohibited. These requirements have been communicated to staff, incorporated into processing checklists, and are effective immediately.

#### **2025-004 – Improper Safeguarding of Assets**

- Management concurs with the finding. CareerSource Capital Region has strengthened controls over the safeguarding of assets and purchasing delivery requirements. Purchases are required to be billed to and shipped to approved CareerSource Capital Region locations, and the use of personal addresses for organization transactions is prohibited. Purchasing and receiving procedures have been re-communicated to staff and will be monitored by the Finance Director.

#### **2025-005 – Lack of Business Purpose and Lack of Sufficient Documentation**

- Management concurs with the finding. CareerSource Capital Region has reinforced documentation standards to ensure every disbursement and reimbursement includes adequate support and a clear business purpose. Payment requests must include itemized source documentation (e.g., invoices, receipts, agendas/attendee lists when applicable), a statement of business purpose tied to programmatic or administrative need, and evidence of independent approval prior to processing. CareerSource Capital Region has also prohibited the use of personal email accounts for organization business and limited payment methods to those that provide an auditable trail, with all supporting documentation retained in a centralized electronic filing structure. These controls are effective immediately, and management will perform periodic spot-checks to verify completeness and consistency.