



AUDIT & FINANCE COMMITTEES' MEETING

CareerSource Central Florida | 1/14/26
CareerSourceCentralFlorida.com



1/14/26 AUDIT & FINANCE COMMITTEES’ MEETING DETAILS

Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information/
Discussion/
Action Items

Other Business

Adjournment

Appendix

What: Audit & Finance Committees’ Meeting

When: Wednesday, January 14, 2026
10:30 a.m. – 12:00 p.m.

Where: CSCF Administration Office
390 N. Orange Ave., Suite 700 (7th Floor)
Orlando, FL 32801
or

Virtual Option via Zoom:

Link: <https://careersourcecf.zoom.us/j/88654124367?pwd=ZIEEAJ2vgTdSqNMm1dpw0eRMj8kXaE.1>

Dial In: 1 (305) 224-1968 / Meeting ID: 886 5412 4367 / Passcode: 680694

1/14/26 AUDIT & FINANCE COMMITTEES’ MEETING DETAILS

	Agenda Item #''	Topic	Presenter	Action Item
Meeting Details	1.	Welcome	Eric Ushkowitz / Matt Walton	
Meeting Agenda	2.	Roll Cal / Establishment of Quorum	Kaz Kasal	
Welcome	3.	Public Comment		
Roll Call	4.	Approval of Minutes A. 9/3/25 Audit & Finance Committees Meeting	Matt Walton Eric Ushkowitz	X X
Public Comment				
Approval of Minutes	5.	Information / Discussion / Action Items A. Audit Committee Items 1) Acceptance of 2 CFR 200 Audit Report 2) Retirement 403b Audit Report 3) Florida Commerce Monitoring Results (FY 2024-2025) 4) Discussion: Compliance Risk B. Finance Committee Items 1) Retirement Plan Update 2) Investment Account Update 3) Mid-Year Financials	Matt Walton Cherry Bekaert Leo Alvarez Audit Committee Discussion Eric Ushkowitz Jason Chepenik Leo Alvarez Leo Alvarez	 X X X
Information/ Discussion/ Action Items				
Other Business				
Adjournment				
Appendix				
	6.	Other Business		
	7.	Adjournment		



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WELCOME



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► Roll Call

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Appendix

ROLL CALL



Meeting Details

Meeting Agenda

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Roll Call

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PUBLIC COMMENT



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APPROVAL OF MINUTES



Audit and Finance Committees' Meeting

Wednesday, September 3, 2025
2:00 p.m.

MINUTES

MEMBERS PRESENT: Matt Walton, Lorie Bailey-Brown, Leslie Felix, Wendy Ford, Shawn Hindle, Yralee Mendez, Kristy Mullane, Angela Rex, Trey Simpkins, and Stephanie Taub

MEMBERS ABSENT: Wendy Brandon, Michelle Sperzel and Eric Ushkowitz

STAFF PRESENT: Leo Alvarez, Vince Bruno, and Kaz Kasal

 **GUESTS PRESENT:** Brian Liffick, Matt Carr / Cherry Bekaert

Agenda Item	Topic	Action Item / Follow Up Item
1	Welcome Mr. Walton, Audit Committee Chair, called the meeting to order at 2:00 pm.	
2	Roll Call / Establishment of Quorum Ms. Kasal, CSCF Executive Coordinator, reported a quorum present with both the Audit and Finance Committees.	
3	Public Comment None Offered.	
4	Approval of Minutes Audit Committee reviewed the minutes from the 1/15/25 Audit and Finance Committees joint meeting. Finance Committee reviewed the minutes from the 6/4/25 Finance Committee meeting.	Ms. Ford made a motion to approve the minutes from the 1/15/25 Audit and Finance Committees joint meeting. Ms. Mullane seconded; motion passed unanimously. Mr. Hindle made a motion to approve the minutes <u>from</u> the 6/4/25 Finance Committee meeting. Mr. Simpkins seconded; motion passed unanimously.
5	Information	
	<u>Audit Committee Items:</u> <u>Audit Committee Charter – Annual Review</u> Reviewed Charter (attachment) and concurred no changes needed at this time.	Ms. Bailey-Brown made a motion that no changes need to be made to the charter. Ms. Mullane seconded; motion passed unanimously.



	<u>Fiscal Year 2024-2025 Audit Planning</u> • Mr. Liffick and Mr. Carr with Cherry Bekaert LLP, provided an overview and timeline on the audit planning for FY 24-25 (attachment). • Audit results will be presented at the next joint meeting of Audit and Finance committees in January 2026. <u>Finance Committee Items:</u> <u>Finance Committee Charter – Annual Review</u> • Reviewed Charter (attachment) and concurred no changes needed at this time. <u>Year-End Results: FY 2024-2025</u> • Reviewed financials from FY 2024-2025, 7/1/24 thru 6/30/25 (attachment). <u>Budget Adjustment</u> • Reviewed the budget adjustment of \$500K from Training to Salaries/Benefits category. The overall budget remains the same at \$30M (attachment). <u>Open Procurement Updates</u> • Reviewed summaries of each of the below open procurements (attachment): - 2026 Summer Youth Programs - Work Transition Program - One-Stop Operator Final recommendations will be presented to the Career Services Committee and the Board at their September 2025 meetings. <u>Facilities Ad Hoc Committee Update (attachment)</u> • Mr. Walton, Facilities Ad Hoc Committee Chair, reported on following: - Facilities Ad Hoc Committee met on 8/25/25 at the Community Hub at Valencia College, East Campus. - Reviewed updated layouts and lease terms for following CSCF locations: - o Administration - o Community Hub at Valencia College, East Campus - o Community Hub at Seminole State College - o Lake-Sumter State College	Mr. Simpkins made a motion that no changes need to be made to the charter. Mr. Hindle seconded; motion passed unanimously. Mr. Hindle made a motion to approve allocation of \$500K from Training to Salaries/Benefits category. Mr. Simpkins seconded; motion passed unanimously.
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	- Reviewed facility lease schedule of all CSCF locations. CSCF anticipates an overall savings of more than \$800,000, and to have 6 Community Hubs by 6/30/26. - In keeping with the three-year strategy to reduce fixed lease costs, Facility Ad Hoc Committee recommends notifying the Seminole and Southeast office landlords of CSCF's intent not to renew leases beyond current terms. Ensuring customer service is not disrupted, CSCF will strengthen its Virtual Services Department and expand its network of Community Hubs across its region.	Mr. Simpkins made a motion, for Board's final approval, that CSCF notify the Seminole office landlord of its intent to not renew the lease beyond the current term. Mr. Hindle seconded; motion passed unanimously. Mr. Simpkins made a motion, for Board's final approval, that CSCF notify the Southeast Orange office landlord of its intent to not renew the lease beyond the current term. Mr. Hindle seconded; motion passed unanimously.
6	Other Business None offered.	
7	Adjournment Meeting adjourned at 3:08 p.m.	

Respectfully submitted,

Kaz Kasal
 Executive Board Coordinator



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INFORMATION/ DISCUSSION/ ACTION ITEMS



AUDIT ITEMS



ACCEPTANCE OF 2 CFR 200 AUDIT REPORT

CENTRAL FLORIDA REGIONAL WORKFORCE
DEVELOPMENT BOARD, INC. D/B/A
CAREERSOURCE CENTRAL FLORIDA

Audit Executive Summary

January 14, 2026

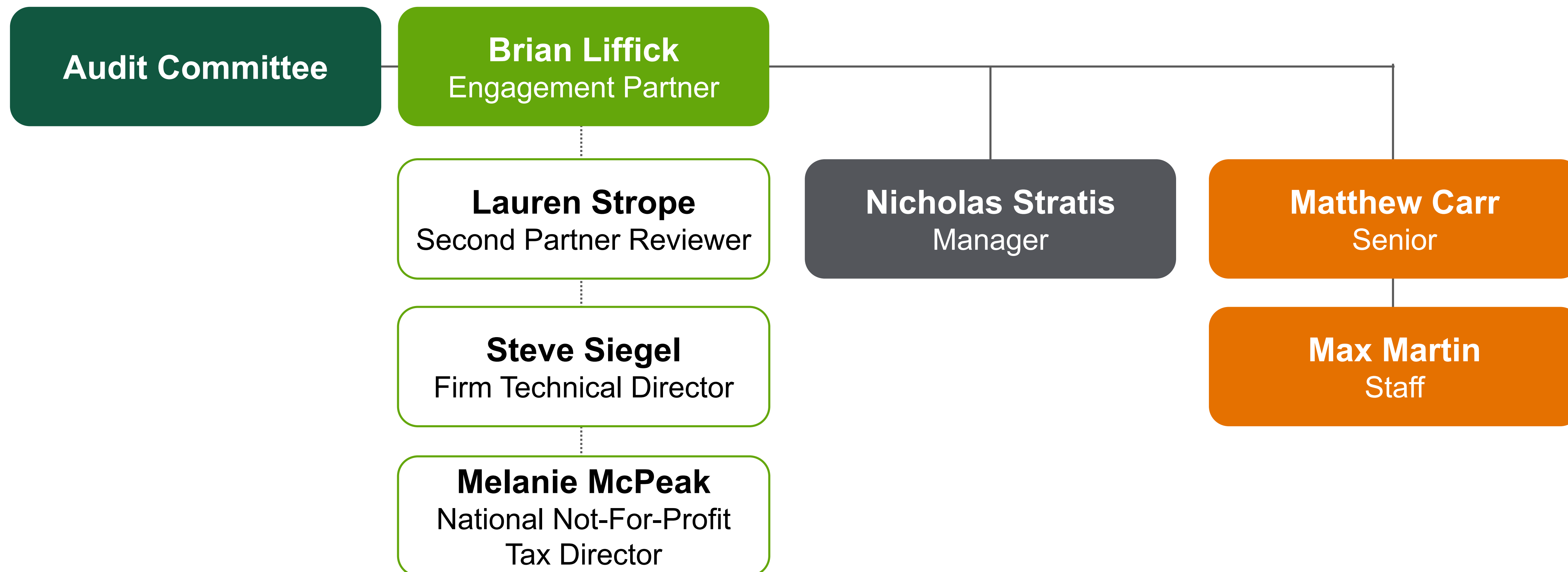
Agenda

- ▶ Client Service Team
- ▶ Results of the Audit
- ▶ Single Audit Internal Control and Compliance
- ▶ Internal Control Communication
- ▶ Corrected and Uncorrected Misstatements
- ▶ Qualitative Aspects of Accounting Practices
- ▶ Independence Considerations
- ▶ Other Required Communications
- ▶ Other Matters
- ▶ 403(b) Plan Status
- ▶ Financial Highlights

This information is intended solely for the use of the Audit Committee, the Board of Directors and management of Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida and is not intended to be, and should not be, used by anyone other than these specified parties.



Client Service Team

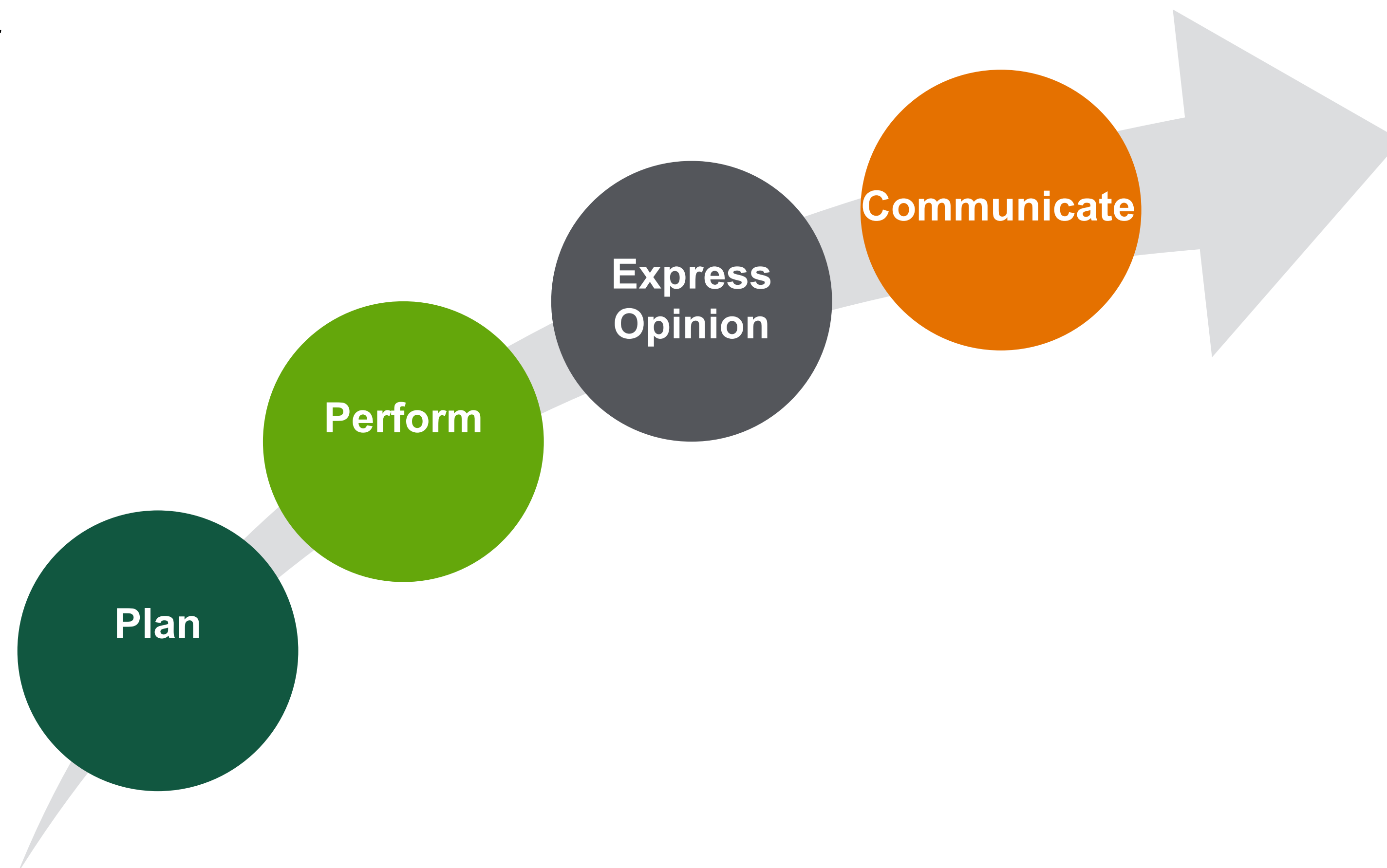


Results of the Audit

We have audited the financial statements of Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida (the “Organization”) for the year ended June 30, 2025, in accordance with generally accepted auditing standards and *Government Auditing Standards* and will issue our report thereon dated January 14, 2026.

We have also audited the Organization’s compliance with the types of compliance requirements described 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. We will issue our report thereon dated January 14, 2026.

We plan to issue an unmodified opinion on the financial statements and have no reportable findings on compliance required by the Uniform Guidance.



Single Audit Internal Control and Compliance



Internal Control Communication

In planning and performing our audit, we considered internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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.



Internal Control Communication

Material Weakness

- ▶ A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Significant Deficiency

- ▶ 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.

We did not identify any control deficiencies that we believe to be material weaknesses.



Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Corrected Misstatements

► None noted.

Uncorrected Misstatements

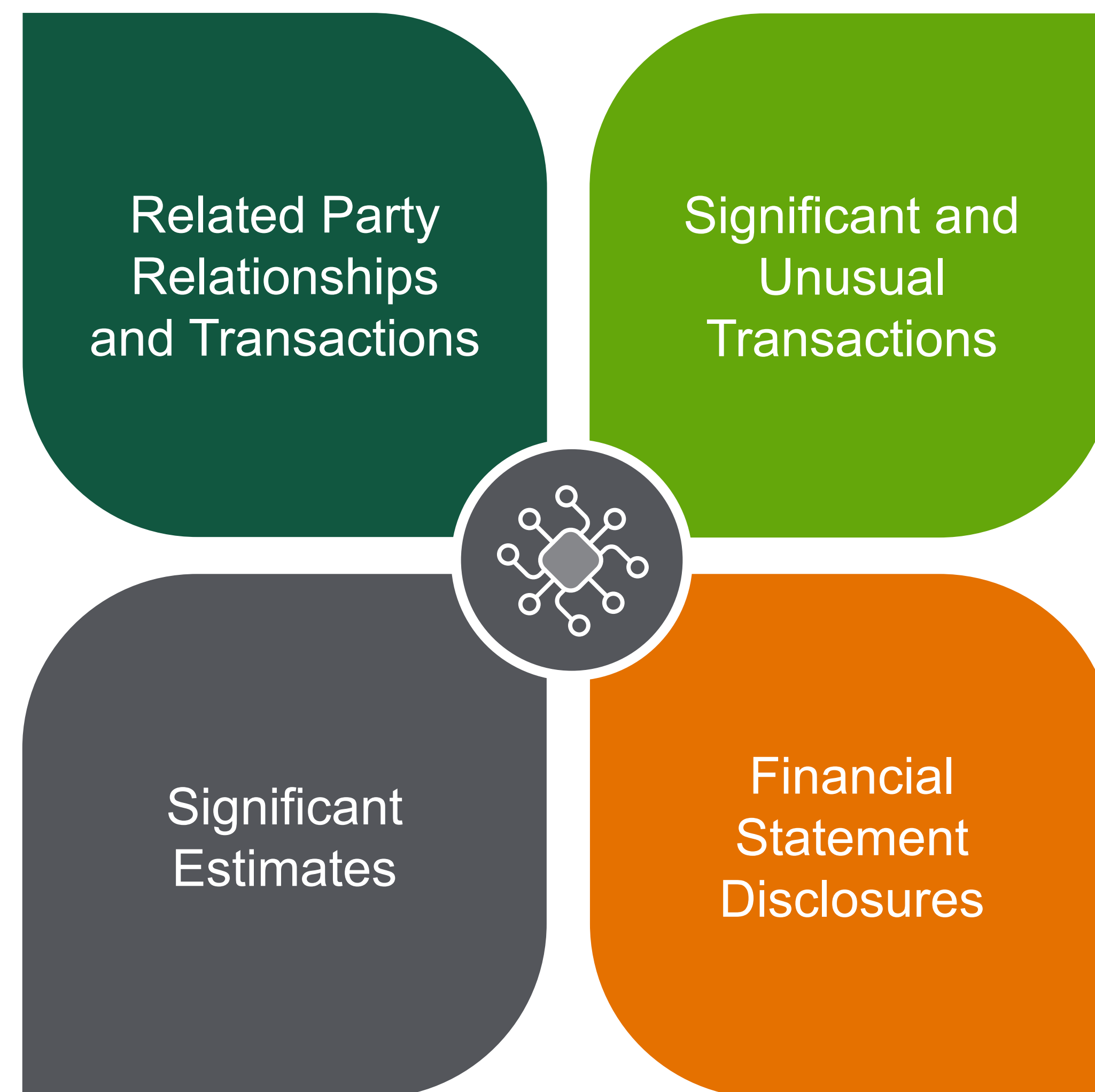
► None noted.



Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements.

No significant new accounting policies were adopted, and the application of all other existing policies was not changed during the year. We noted no inappropriate accounting policies or practices.

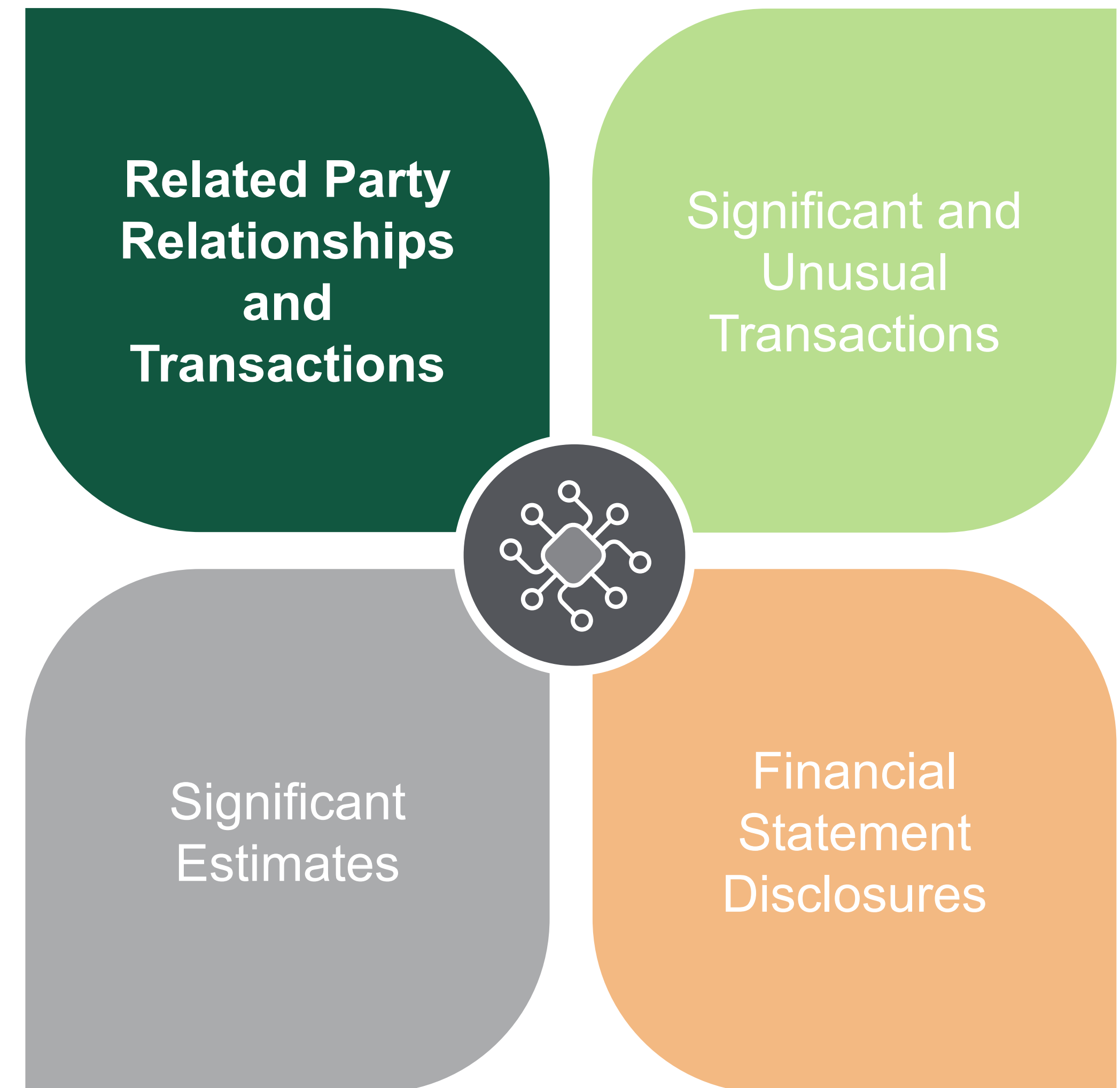


Qualitative Aspects of Accounting Practices

As part of our audit, we evaluated the Organization's identification of, accounting for, and disclosure of the Organization's relationships and transactions with related parties as required by professional standards.

We noted none of the following:

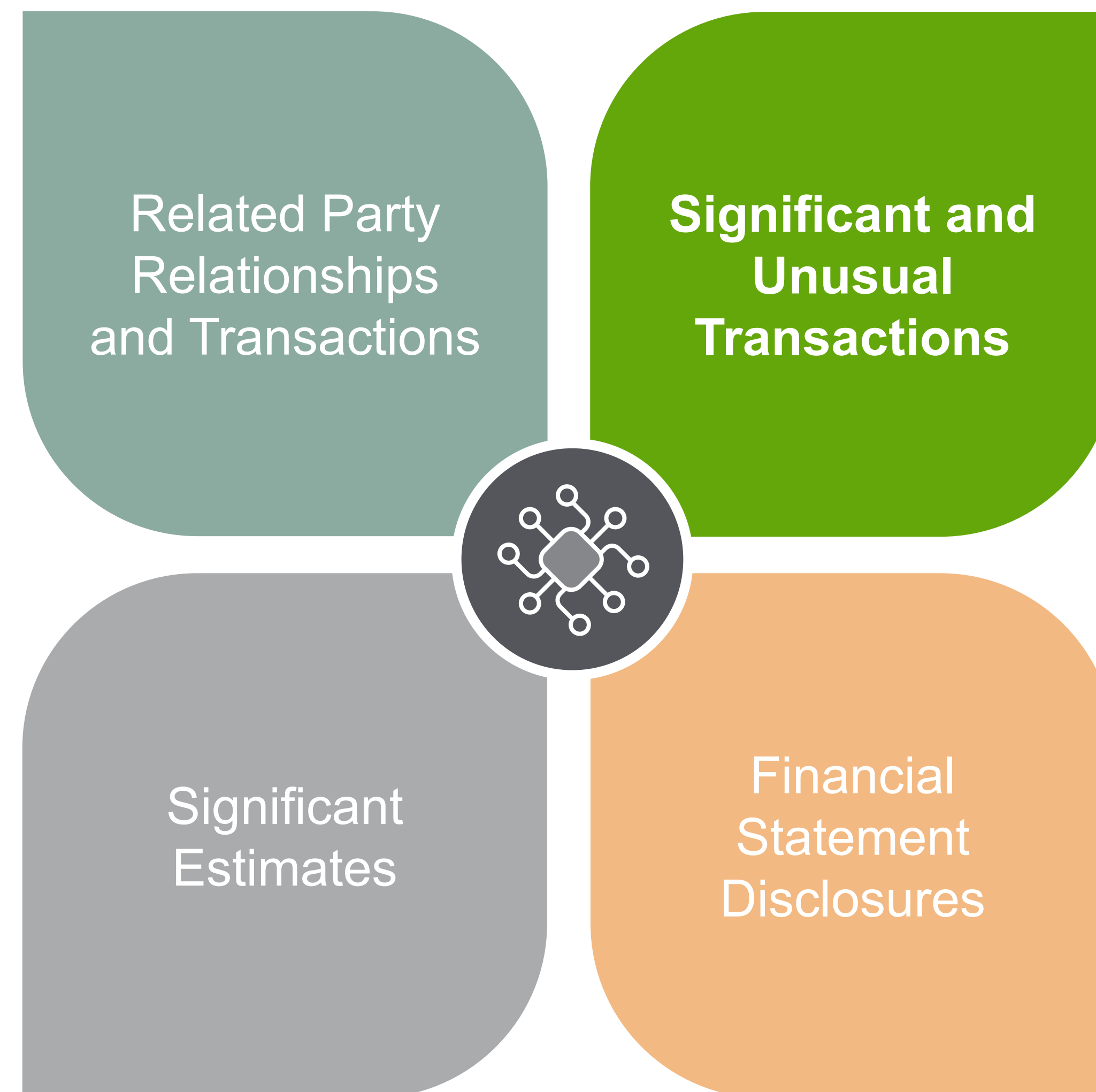
- Related parties or related party relationships or transactions that were previously undisclosed to us;
- Significant related party transactions that have not been approved in accordance with the Organization's policies or procedures or for which exceptions to the Organization's policies or procedures were granted;
- Significant related party transactions that appeared to lack a business purpose;
- Noncompliance with applicable laws or regulations prohibiting or restricting specific types of related party transactions;
- Difficulties in identifying the party that ultimately controls the entity.



Qualitative Aspects of Accounting Practices

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

For purposes of this presentation, professional standards define significant unusual transactions as transactions that are outside the normal course of business for the Organization or that otherwise appear to be unusual due to their timing, size or nature. We noted no significant unusual transactions during our audit.

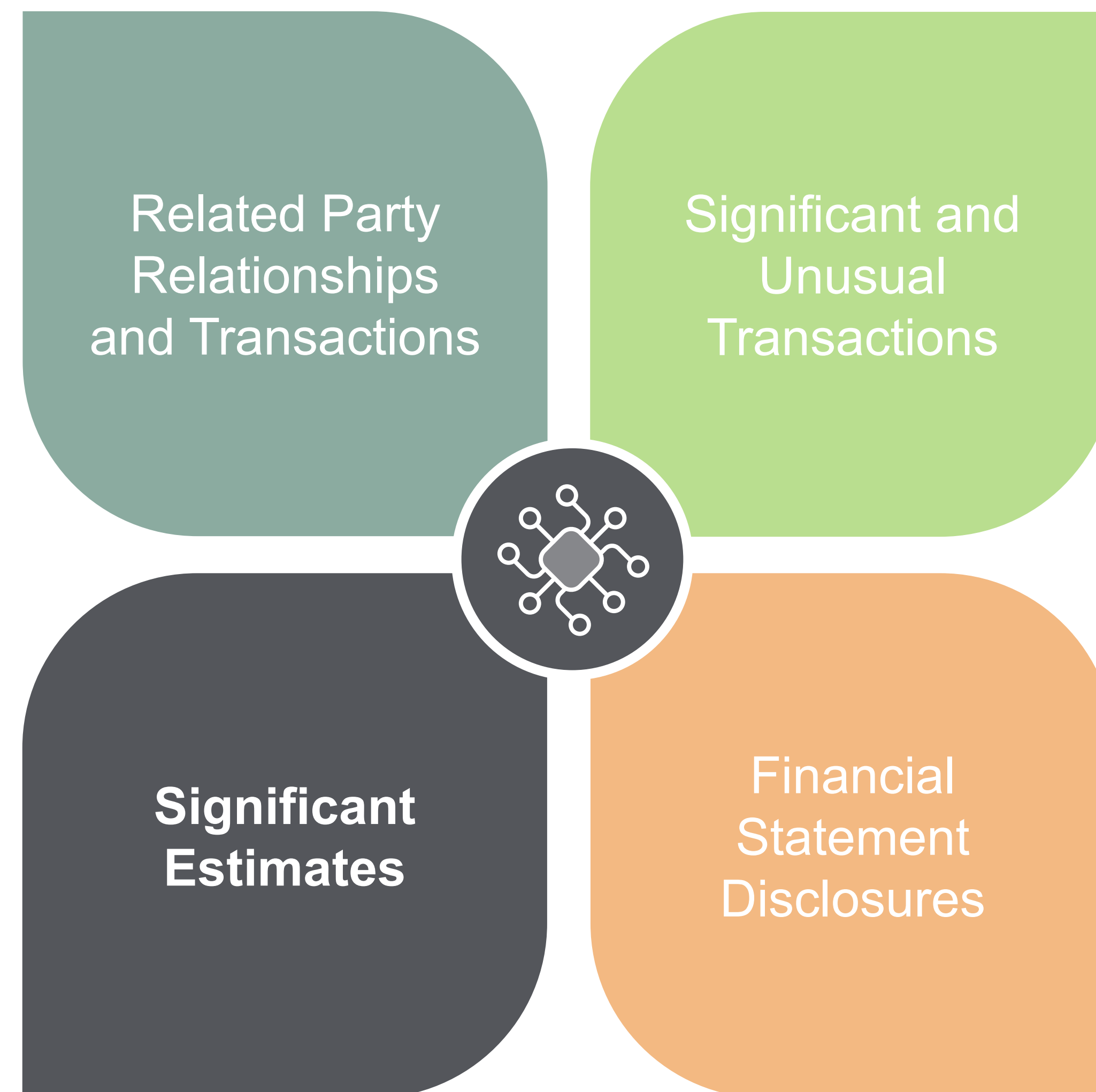


Qualitative Aspects of Accounting Practices

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

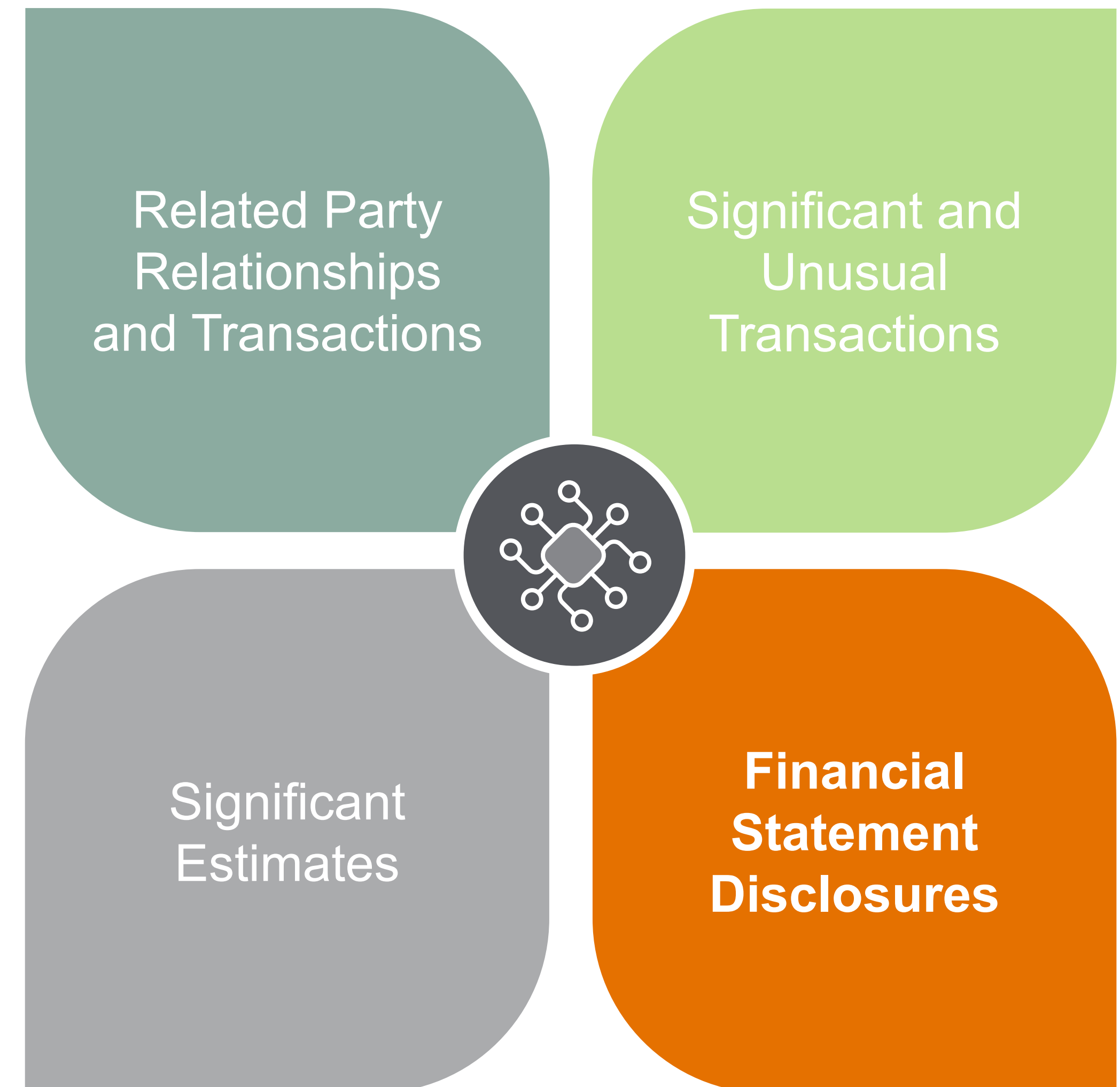
- Management's estimate of depreciation is based on estimated useful lives of associated property and equipment.
- Management's estimate for functional expense allocation is based on an approved cost allocation plan or a negotiated indirect cost rate.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.



Qualitative Aspects of Accounting Practices

The financial statement disclosures are neutral, consistent, and clear.



Independence Considerations

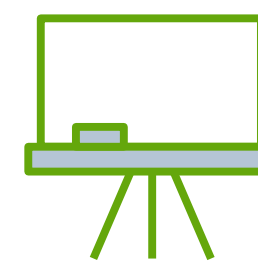
Nonattest Services

- ▶ Prepare the Organization's federal and state tax returns.
- ▶ Complete the appropriate sections of and certify the Data Collection Form.
- ▶ Assist in the preparation of the financial statements and disclosures, including lease schedules
- ▶ For all nonattest services we perform, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, and accept overall responsibility for the results of the services.



Independence Conclusion

- ▶ We are not aware of any other circumstances or relationships that create threats to auditor independence.
- ▶ We are independent of the Organization and have met our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits.



Other Required Communications

Difficulties Encountered

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

Includes disagreements on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Auditor Consultations

We noted no matters that are difficult or contentious for which the auditor consulted outside the engagement team.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 14, 2026.



Other Required Communications

Management Consultations

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. To our knowledge, there were no such consultations with other accountants.

Other Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year. These discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

Fraud and Illegal Acts

As of the date of this presentation, no fraud, illegal acts, or violations of laws and regulations noted.

Going Concern

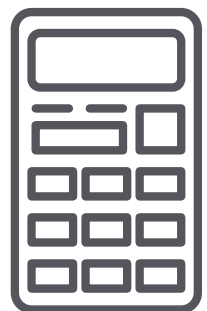
No events or conditions noted that indicate substantial doubt about the Organization’s ability to continue as a going concern.



Other Matters

Supplementary Information

With respect to the supplementary information (schedule of expenditures of federal awards) accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



403(b) Plan Audit

- Final June 30, 2025 draft financial statements included in packet.
- ERISA 103 (a)(3)(c) report to be dated subsequent to this meeting.
- Reportable finding communicated in separate letter to be dated subsequent to this meeting:
 - Timeliness of contribution remittances
 - We noted an instance in which deferrals withheld from employees' paychecks were not remitted to the custodian in a timely manner. The contributions remitted late to the Plan, which were identified and corrected by management, totaled \$2,271. Failure to remit participant contributions to the Plan in a timely manner results in prohibited transactions which must be separately reported to the Department of Labor ("DOL") and may result in lost earnings for the Plan and penalties to CareerSource Central Florida. We recommend management continue to monitor any changes or corrections to employee pay to ensure timely self-correction of remittances.
- Working with Principal to finalize unused forfeiture balances



Financial Highlights

Financial Highlights – Statement of Financial Position

	2025	2024
Assets		
Current Assets:		
Cash	\$ 4,002,959	\$ 4,118,400
Grants receivable	545,675	670,486
Other receivables	621,756	463,600
Prepaid expenses and other current assets	839,102	1,023,484
Total Current Assets:	6,009,492	6,275,970
Property and equipment, net	4,918	15,335
Operating lease right-of-use assets	2,254,560	2,112,809
Deposits	103,890	95,198
Total Assets	\$ 8,372,860	\$ 8,499,312
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 1,813,137	\$ 975,519
Accrued compensation	1,076,471	1,126,314
Grant advances	935,675	1,195,336
Deferred revenue	1,348,222	1,875,090
Current portion of operating lease liabilities	1,339,223	1,162,390
Total Current Liabilities	6,512,728	6,334,649
Noncurrent Liabilities:		
Operating lease liabilities, net of current portion	867,097	983,297
Net Assets:		
Net Assets Without Donor Restrictions	993,035	1,181,366
Total Liabilities and Net Assets	\$ 8,372,860	\$ 8,499,312



Financial Highlights – Statement of Activities

	2025	2024
Revenues		
Federal financial assistance	\$ 27,680,019	\$ 32,507,988
Contributions and other revenue	6,598,587	3,113,811
Interest income	2,662	10,441
Total Revenues	34,281,268	35,632,240
Expenses		
Program services	30,871,816	32,763,787
Management and general	3,597,783	3,553,556
Total Expenses	34,469,599	36,317,343
Change in net assets	(188,331)	(685,103)
Net assets without donor restrictions, beginning of year	1,181,366	1,866,469
Net assets without donor restrictions, end of year	<u>\$ 993,035</u>	<u>\$ 1,181,366</u>



Questions

Contacts

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[RETURN TO AGENDA](#)





FLORIDA COMMERCE MONITORING RESULTS FY 2024-2025



Memorandum

To: Audit Committee
From: Leo Alvarez, CFO
Subject: Fiscal Year 2025 Florida Commerce Monitoring
Date: January 14, 2025

Purpose: |

The purpose of this memo is to summarize the Fiscal Year 2023-24 Florida Commerce financial monitoring results for the review period of 07/01/23 to 06/30/24.

Scope of Monitoring:

I. DESCRIPTION OF MONITORING APPROACH

The scope of the financial review included an examination of CSCF’s internal controls, financial management systems, procurements, contract management processes, subrecipient monitoring, cost allocations, payroll, disbursement testing, and reporting and reconciliation of financial data in SERA to determine if appropriate processes, procedures, and controls were in place and properly implemented. In some instances, interviews were conducted with CSCF staff to gather information about financial management processes.

Results of Monitoring:

FY 2023-2024 Financial Monitoring Results

Findings

There were no findings identified during the financial monitoring review period of July 1, 2023, to June 30, 2024.

Other Noncompliance Issues

FMA #12.25.01

Category: WP – 7.0 General Ledger and Cost Allocation

Condition: CSCF’s Memorandum of Understanding & Infrastructure Funding Agreements with Florida Division of Blind Services and the School Board of Orange County, Florida did not include all required information in accordance with 20 CFR 678.500(d) and 20 CFR 678.755(c) as follows:

- Identification of all chief elected officials participating in the infrastructure funding arrangement
- Signatures of the chief elected official(s)

Criteria: 20 CFR.678.500(d) states, in part, “When fully executed, the MOU must contain the signatures of the Local WDB, one-stop partners, the chief elected official(s), and the time period in the agreement is effective.”



20 CFR 678.755(c) requires that the MOU must identify all one-stop partners, chief elected officials, and Local WDB participating in the infrastructure funding arrangement.

Cause: CSCF did not use the MOU IFA template that was last updated on August 9, 2023, which includes a line for the chief elected official signature.

Effect: Absent the required identification and signature of the chief elected official(s), CSCF’s MOU IFA may lack enforceability as well as accountability and transparency in the use of funds and responsibilities of both parties.

Required Action: CSCF must ensure all required elements are included in Memorandums of Understanding & Infrastructure Funding Agreements. CSCF must provide a copy of the current fully executed MOU IFAs for Florida Division of Blind Services and the School Board of Orange County to FloridaCommerce with the CAP response. If the agreements cannot be provided within the timeframe of the CAP response, CSCF must provide a timeline for the submission of the amended MOU IFAs.

Observations/ Technical Assistance

There were no observations identified or technical assistance provided during the financial monitoring review period of July 1, 2023, to June 30, 2024.

Staff Response to “Other Non-Compliance Issue”

While WIOA § 121(c)(1) and 20 C.F.R. § 678.500(a) state that the Memorandum of Understanding (MOU) must be “developed and executed between the Local Workforce Development Board and the one-stop partners, with the agreement of the chief elected official,” the law does not require a separate signature by the Chief Elected Official (CLEO) on the MOU itself. Statutory language centers on agreement and approval, not physical execution. Staff will be working with FL Commerce on clarification to ensure compliance requirements are being met, while also allowing flexibility to streamline the process and avoid having to route the Memorandum of Understanding & Infrastructure Funding Agreements to the five local elected officials for signature individually.



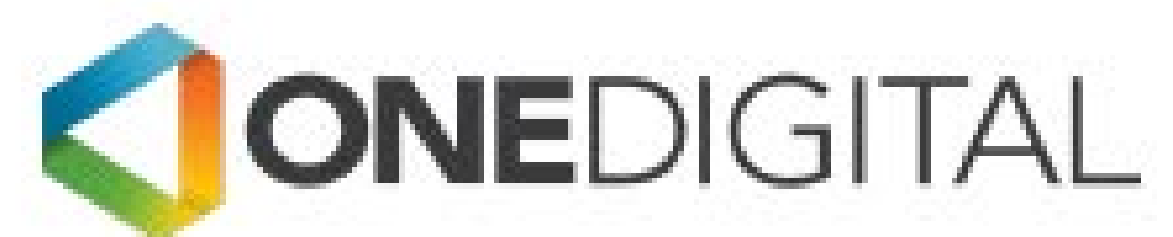
DISCUSSION: COMPLIANCE RISK



FINANCE ITEMS



RETIREMENT PLAN UPDATE



CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.

RETIREMENT PLAN REVIEW

As of 9/30/2025



Eligible 169
Participants Deferring 163
Terminated 44
Participation Rate 96.5%



Average Deferral Rate (Active) 7.8%
Average Account Balance \$68K
Median Account Balance \$34K



Total Plan Assets \$13.47M
YOY Growth +16.28%
TDF Assets \$11.74M (87.13%)
Single TDF Holders 178
Partial TDF Holders 23

Data provided by Principal Financial Group and believed to be true and accurate

METRICS OF SUCCESS

Participation

90

Deferral

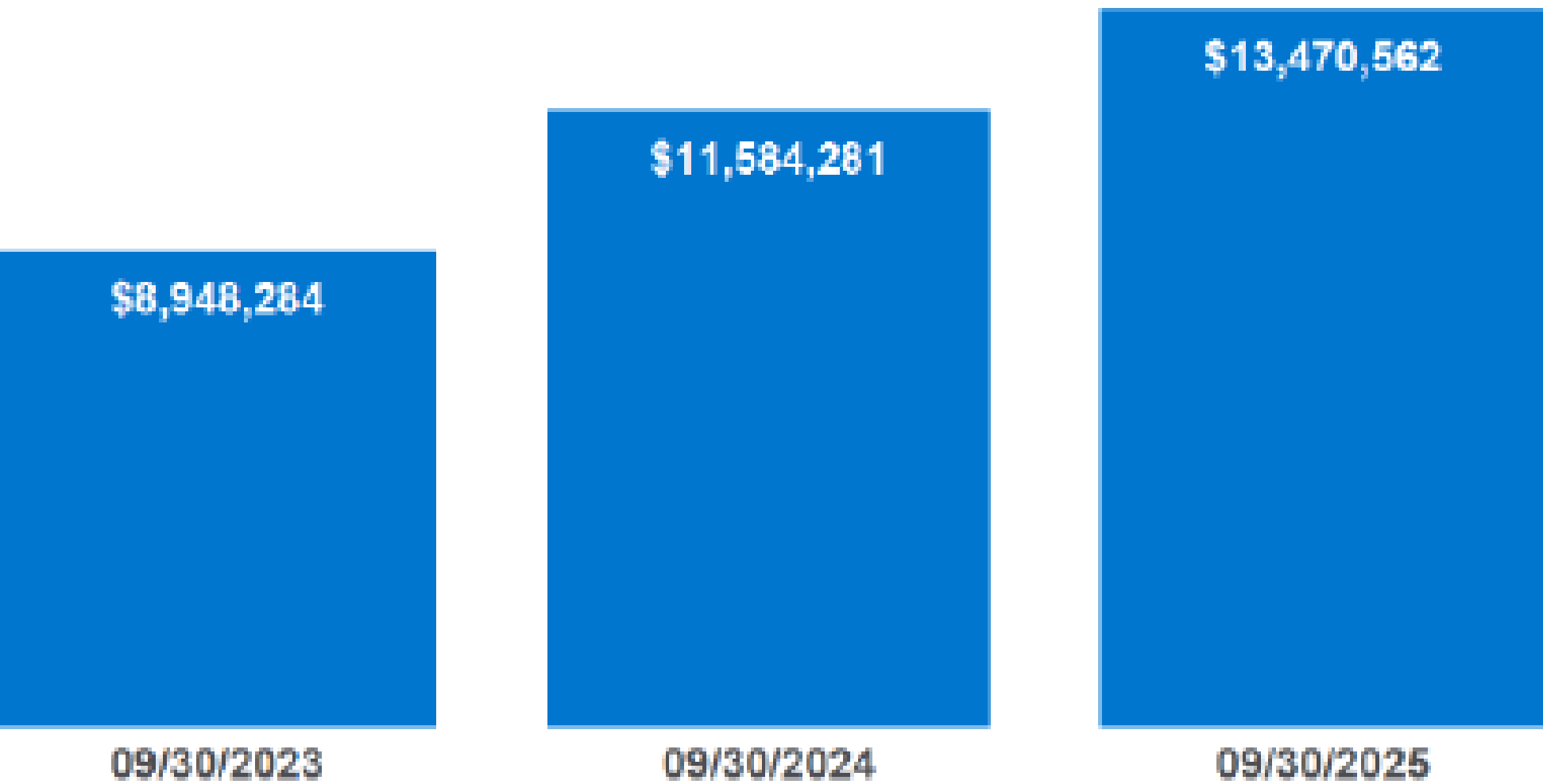
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Diversification

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ADMINISTRATIVE UPDATE

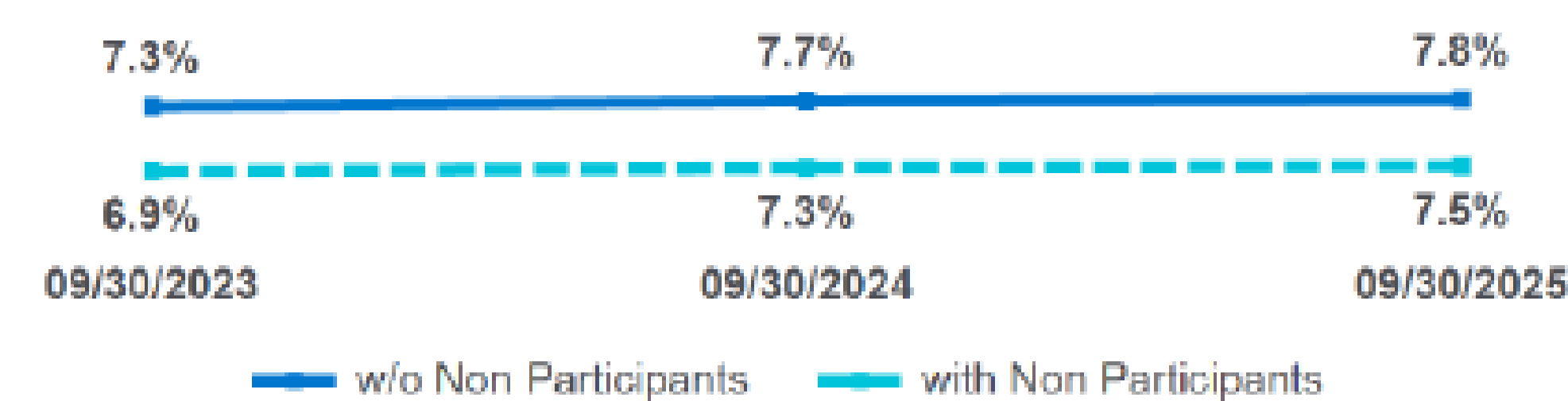
Total Account Value as of 9/30/2025



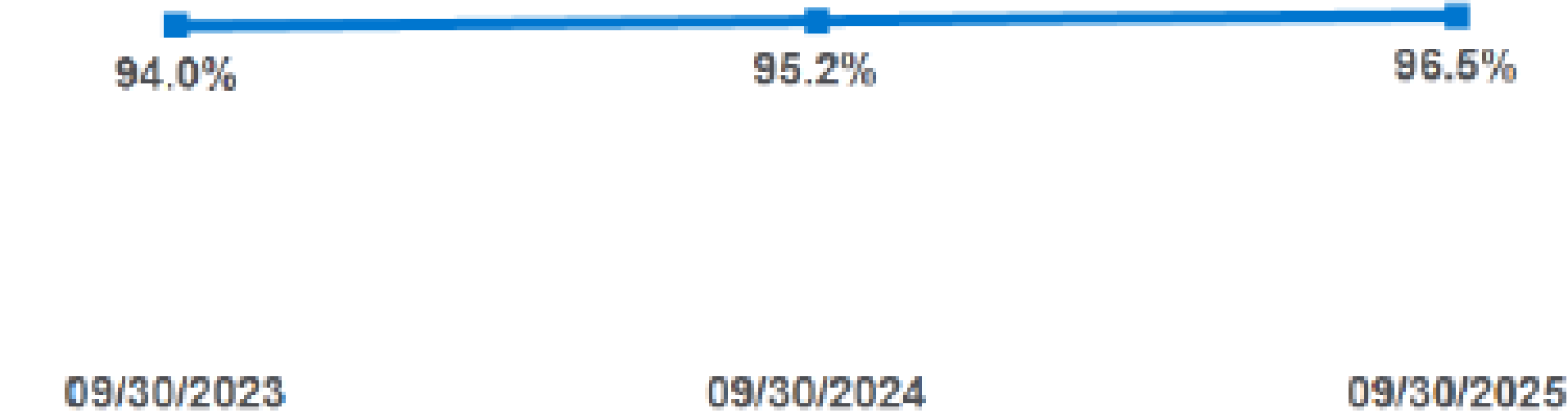
Participant Details as of 9/30/2025

Total Deferring Participants	163
Total Eligible Participants	169
Eligible Employees Participating %	96.5%
Eligible Employees Not Participating %	3.6%
Account Values for Participants w/o Term Date	\$11,620,865
Number of Participants with an Account Value	169
Average Account Balance	\$68,763
Terminated Participant Account Value	\$1,793,560
Terminated Participant Counts	44
Highly Compensated Employee Account Value	\$990,446
Highly Compensated Employee Counts	2

Average Deferral Rates as of 9/30/2025



Average Participation Rates as of 09/30/2025



Data provided by Principal Financial Group and believed to be true and accurate



Fund Scoring Executive Summary



+ Added
 👤 Proposed
 👁️ Watch
 ⊖ Removal
 ⚠️ Exception
 P Proxy

Score Range	100 - 60	59 - 40	≤ 39
Score Rating	Meets	Monitor	Fails

Fund Name	Ticker/ID	Peer Group	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	Avg Score
Target Date															
American Century One Choice In Ret R6	ARDTX	Target-Date Retirement	76	75	73	85	85	85	85	85	85	85	85	83	82
American Century One Choice 2030 R6	ARCUX	Target-Date 2030	56	56	56	56	65	65	65	71	65	71	76	88	66
American Century One Choice 2035 R6	ARLDX	Target-Date 2035	56	56	56	56	56	56	65	65	62	65	73	73	62
American Century One Choice 2040 R6	ARDUX	Target-Date 2040	48	48	51	53	53	53	62	62	62	62	70	73	58
American Century One Choice 2045 R6	ARDOX	Target-Date 2045	48	48	48	53	53	53	62	62	62	62	70	73	58
American Century One Choice 2050 R6	ARFEX	Target-Date 2050	48	48	48	53	53	53	62	62	62	68	90	100	62
American Century One Choice 2055 R6	AREUX	Target-Date 2055	48	48	48	53	62	62	62	80	74	80	90	100	67
American Century One Choice 2060 R6	ARGDX	Target-Date 2060	48	55	55	62	62	62	62	71	62	71	94	100	67
American Century One Choice 2065 R6	ARHSX	Target-Date 2065+	55	61	69	61	61	61	69	61	61	59	71	71	63

QMR – 3rd QUARTER ANALYSIS – EQUITY & FIXED INCOME FUNDS

Fund Scoring Executive Summary



Added
 Proposed
 Watch
 Removal
 Exception
 Proxy

Score Range	100 - 60	59 - 40	≤ 39
Score Rating	Meets	Monitor	Fails

Fund Name	Ticker/ID	Peer Group	3Q25	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	Avg Score
Equity															
Putnam Large Cap Value R6	PEQSX	Large Value	100	98	100	100	100	100	100	100	100	100	100	97	100
AB Large Cap Growth Z	APGZX	Large Growth	70	73	69	77	84	86	92	84	87	92	94	97	84
American Century Mid Cap Value R6	AMDVX	Mid-Cap Value	70	72	82	73	73	73	73	85	85	85	90	94	80
BlackRock Mid-Cap Growth Equity K	BMGKX	Mid-Cap Growth	62	57	55	63	63	63	65	77	69	67	75	75	66
Macquarie Small Cap Value R6	DVZRX	Small Value	76	96	75	75	58	78	73	76	76	76	76	76	76
Janus Henderson Triton N	JGMNX	Small Growth	59	83	75	65	80	80	83	83	85	83	85	78	78
MFS Intl Diversification R6	MDIZX	Foreign Large Blend	65	67	80	82	89	77	74	79	82	77	79	87	78
Principal Real Estate Securities Fd R6	PFRSX	Real Estate	87	94	94	92	92	97	92	97	97	97	97	97	94

Fixed Income															
BlackRock Total Return K	MPHQX	Intermediate Core-Plus Bond	74	74	71	67	83	83	83	83	90	90	86	84	81

Index															
Fidelity 500 Index	FXAIX	Large Blend	100	100	100	100	100	100	100	100	100	100	99	100	100
Principal Large Cap S&P 500 Index Inst	PLFIX	Large Blend	100	100	100	100	100	100	100	100	100	100	99	99	100
Fidelity Mid Cap Index	FSMDX	Mid-Cap Blend	100	100	100	100	98	98	97	98	97	98	97	97	98
Principal MidCap S&P 400 Index R6	PMAPX	Mid-Cap Blend	99	99	99	100	99	100	100	100	100	100	100	100	100
Fidelity Small Cap Index	FSSNX	Small Blend	96	96	85	94	94	86	86	86	85	85	93	93	90
Principal SmallCap S&P 600 Index R6	PSPIX	Small Blend	97	93	97	73	88	93	93	95	95	95	99	100	93

QMR – 3rd QUARTER ANALYSIS – SCORE CARD ALLOCATION BREAKDOWN

Scorecard Allocation Breakdown



+ Added
 👤 Proposed
 👁️ Watch
 ⊖ Removal
 ⚠️ Exception
 P Proxy

Score Range	100 - 60	59 - 40	≤ 39
Score Rating	Meets	Monitor	Fails

Fund Name	Ticker/ID	Peer Group	Net/Gross	Rev Share	Balance	Weight	Score	Rating
Target Date								
American Century One Choice In Ret R6	ARDTX	Target-Date Retirement	0.41 / 0.51	0.00	\$2,313,732.24	17.18%	76	Meets
American Century One Choice 2030 R6	ARCUX	Target-Date 2030	0.45 / 0.52	0.00	\$1,602,510.14	11.90%	56	Monitor
American Century One Choice 2035 R6	ARLDX	Target-Date 2035	0.48 / 0.54	0.00	\$2,010,945.95	14.93%	56	Monitor
American Century One Choice 2040 R6	ARDUX	Target-Date 2040	0.50 / 0.57	0.00	\$2,304,254.64	17.11%	48	Monitor
American Century One Choice 2045 R6	ARDOX	Target-Date 2045	0.53 / 0.58	0.00	\$1,856,315.55	13.78%	48	Monitor
American Century One Choice 2050 R6	ARFEX	Target-Date 2050	0.55 / 0.60	0.00	\$806,480.70	5.99%	48	Monitor
American Century One Choice 2055 R6	AREUX	Target-Date 2055	0.54 / 0.60	0.00	\$596,052.01	4.42%	48	Monitor
American Century One Choice 2060 R6	ARGDX	Target-Date 2060	0.54 / 0.61	0.00	\$164,370.10	1.22%	48	Monitor
American Century One Choice 2065 R6	ARHSX	Target-Date 2065+	0.54 / 0.61	0.00	\$81,777.19	0.61%	55	Monitor
				TOTAL	\$11,736,438.52	87.13%		

QMR – 3rd QUARTER ANALYSIS – SCORE CARD ALLOCATION BREAKDOWN

Scorecard Allocation Breakdown



+ Added
 👤 Proposed
 👁 Watch
 ⊖ Removal
 ⚠ Exception
 P Proxy

Score Range	100 - 80	59 - 40	≤ 39
Score Rating	Meets	Monitor	Fails

Fund Name	Ticker/ID	Peer Group	Net/Gross	Rev Share	Balance	Weight	Score	Rating
Equity								
Putnam Large Cap Value R6	PEQ5X	Large Value	0.54 / 0.54	0.00	\$25,299.67	0.19%	100	Meets
 Fidelity 500 Index	FXAIX	Large Blend	0.02 / 0.02	0.00	-	-	100	Meets
 Principal Large Cap S&P 500 Index Inst	PLFIX	Large Blend	0.11 / 0.11	0.00	\$574,664.52	4.27%	100	Meets
AB Large Cap Growth Z	APGZX	Large Growth	0.51 / 0.51	0.00	\$113,426.71	0.84%	70	Meets
American Century Mid Cap Value R6	AMDVX	Mid-Cap Value	0.62 / 0.62	0.00	\$9,166.36	0.07%	70	Meets
 Fidelity Mid Cap Index	FSMDX	Mid-Cap Blend	0.03 / 0.03	0.00	-	-	100	Meets
 Principal MidCap S&P 400 Index R6	PMAPX	Mid-Cap Blend	0.16 / 0.16	0.00	\$38,188.29	0.28%	99	Meets
BlackRock Mid-Cap Growth Equity K	BMGKX	Mid-Cap Growth	0.71 / 0.71	0.00	\$34,444.73	0.26%	62	Meets
Macquarie Small Cap Value R6	DVZRX	Small Value	0.70 / 0.70	0.00	\$5,805.81	0.04%	76	Meets
 Fidelity Small Cap Index	FSSNX	Small Blend	0.03 / 0.03	0.00	-	-	96	Meets
 Principal SmallCap S&P 600 Index R6	PSPIX	Small Blend	0.16 / 0.16	0.00	\$35,645.31	0.26%	97	Meets
Janus Henderson Triton N	JGMNX	Small Growth	0.66 / 0.66	0.00	\$11,085.77	0.08%	59	Monitor
MFS Intl Diversification R6	MDIZX	Foreign Large Blend	0.73 / 0.75	0.00	\$32,607.09	0.24%	65	Meets
Principal Real Estate Securities Fd R6	PFRSX	Real Estate	0.81 / 0.81	0.00	\$58,650.88	0.44%	87	Meets
				TOTAL	\$938,985.14	6.97%		
Fixed Income								
BlackRock Total Return K	MPHQX	Intermediate Core-Plus Bond	0.38 / 0.38	0.00	\$117,274.20	0.87%	74	Meets
				TOTAL	\$117,274.20	0.87%		
Other								
Principal Fixed Income Guaranteed	PRINF	Other	0.00 / 0.00	0.00	\$677,864.01	5.03%	-	-
				TOTAL	\$677,864.01	5.03%		
PORTFOLIO TOTAL					\$13,470,561.87	100%		

Watch List

Place BlackRock Mid Cap Growth and Janus Henderson Triton on watch list.

Proposed Fund Changes

Fund Name	Ticker/ID	Peer Group	Score	Action	Proposed Fund Name	Ticker/ID	Peer Group	Score
⊖ Principal Large Cap S&P 500 Index Inst	PLFIX	Large Blend	100	Map to	👉 Fidelity 500 Index	FXAIX	Large Blend	100
⊖ Principal MidCap S&P 400 Index R6	PMAPX	Mid-Cap Blend	99	Map to	👉 Fidelity Mid Cap Index	FSMDX	Mid-Cap Blend	100
⊖ Principal SmallCap S&P 600 Index R6	PSPIX	Small Blend	97	Map to	👉 Fidelity Small Cap Index	FSSNX	Small Blend	96

QDIA SELECTION PROCESS



Savings

Participation
Deferral Rates
Average Account Balances
Replacement Target
Social Security



Employees

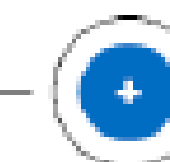
Average Age
Income levels
Target Retirement Age



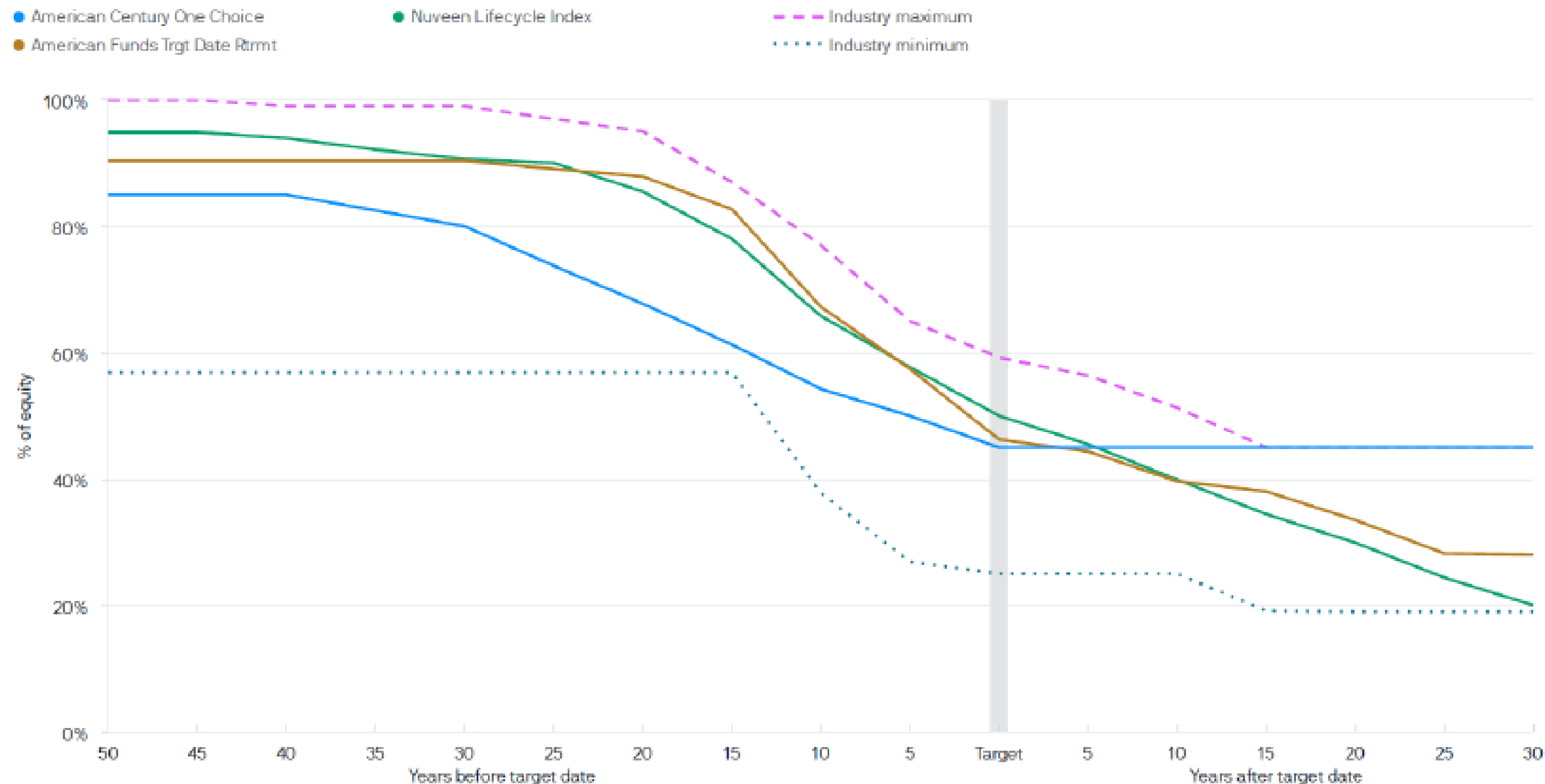
Risk Levels

Appetite for variance at Retirement

TARGET DATE ANALYSIS | 3Q 2025

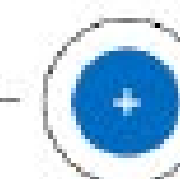


Equity glide path comparison



TARGET DATE FUND REVIEW

TARGET DATE ANALYSIS | 3Q 2025

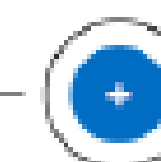


Target date series snapshot

	American Century One Choice	American Funds Trgt Date Rtrmt	Nuveen Lifecycle Index
MUTUAL FUND ASSETS			
(\$mm) as of 09/30/2025	\$9,984	\$346,860	\$68,444
Earliest inception date	08/31/2004	02/01/2007	09/30/2009
GLIDE PATH			
% of equity at target date	45.0%	46.27%	50.0%
% of equity at landing point	45.0%	28.02%	20.0%
Glide path end (age)	65	95	95
# of asset classes	11	9	5
Tactical	Yes	No	No
FUND STRUCTURE			
Fund of funds	Yes	Yes	Yes
Open architecture (%)	0%	0%	0%
Active exposure (%)	100%	100%	1.99%
UNDERLYING FUND INFORMATION			
# of underlying funds	23	29	6
Average manager tenure (years)	14.48	20.40	17.51
Longest manager tenure (years)	23.75	33.58	19.99

TARGET DATE FUND REVIEW

TARGET DATE ANALYSIS | 3Q 2025



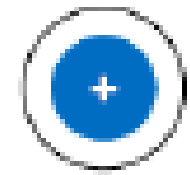
Trailing performance & rankings

Top decile ●●●●● Bottom decile ●●●●●

	YTD		1 year		3 year		5 year		10 year		15 year			
Target date fund name	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Since inc return	Inception date
US FUND TARGET-DATE RETIREMENT														
American Century One Choice In Ret R6	9.66	35	7.80	24	11.64	7	6.09	1	6.42	4	6.46	1	5.96	08/31/2004
TOTAL FUNDS IN CATEGORY	—	144	—	144	—	135	—	125	—	80	—	61	—	—
S&P Target Date Retirement Income TR USD*	9.82	—	7.53	—	10.50	—	4.81	—	5.26	—	5.10	—	4.68	12/29/2000
US FUND TARGET-DATE 2000-2010														
American Funds 2010 Ttgt Date Retire R6	10.93	1	8.92	4	11.50	15	6.53	1	6.66	1	6.67	1	5.48	02/01/2007
Nuveen Lifecycle Index 2010 R6	10.20	12	8.17	17	11.33	19	5.44	22	6.31	10	6.40	11	6.56	09/30/2009
TOTAL FUNDS IN CATEGORY	—	86	—	86	—	76	—	70	—	46	—	32	—	—
S&P Target Date 2010 TR USD*	10.04	—	7.73	—	10.97	—	5.40	—	5.87	—	5.78	—	4.89	12/29/2000
US FUND TARGET-DATE 2015														
American Funds 2015 Ttgt Date Retire R6	11.18	3	9.18	3	12.14	9	6.90	1	7.01	1	7.13	2	5.78	02/01/2007
Nuveen Lifecycle Index 2015 R6	10.94	16	8.91	6	12.27	6	6.05	10	6.83	6	6.92	8	7.04	09/30/2009
TOTAL FUNDS IN CATEGORY	—	91	—	91	—	82	—	78	—	52	—	37	—	—
S&P Target Date 2015 TR USD*	10.19	—	8.03	—	11.46	—	5.93	—	6.39	—	6.40	—	5.18	12/29/2000
US FUND TARGET-DATE 2020														
American Funds 2020 Ttgt Date Retire R6	11.89	13	9.76	1	12.91	22	7.22	1	7.50	3	7.73	2	6.11	02/01/2007
Nuveen Lifecycle Index 2020 R6	11.62	20	9.51	6	13.14	10	6.64	11	7.40	6	7.49	8	7.58	09/30/2009
TOTAL FUNDS IN CATEGORY	—	106	—	106	—	96	—	92	—	57	—	38	—	—
S&P Target Date 2020 TR USD*	10.65	—	8.54	—	12.42	—	6.46	—	6.89	—	6.96	—	5.42	12/29/2000

*Benchmark

TARGET DATE ANALYSIS | 3Q 2025



Trailing performance & rankings

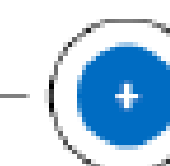
Top decile ●●●●● Bottom decile ●●●●●

	YTD		1 year		3 year		5 year		10 year		15 year		Since inc return	Inception date
Target date fund name	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat		
US FUND TARGET-DATE 2025														
American Funds 2025 Trgt Date Retire R6	12.11	25	10.04	14	13.71	29	7.62	6	8.26	1	8.62	1	6.73	02/01/2007
Nuveen Lifecycle Index 2025 R6	12.22	25	10.14	11	14.18	18	7.45	14	8.13	7	8.17	15	8.22	09/30/2009
TOTAL FUNDS IN CATEGORY	—	137	—	137	—	126	—	116	—	79	—	48	—	—
S&P Target Date 2025 TR USD*	11.64	—	9.41	—	13.31	—	7.47	—	7.66	—	7.64	—	5.77	12/29/2000
US FUND TARGET-DATE 2030														
American Century One Choice 2030 R6	10.10	85	8.16	87	12.58	88	6.63	87	7.26	92	7.53	77	6.22	05/30/2008
American Funds 2030 Trgt Date Retire R6	13.07	21	11.35	5	15.56	19	8.79	2	9.38	1	9.49	1	7.45	02/01/2007
Nuveen Lifecycle Index 2030 R6	13.25	19	11.23	7	15.64	17	8.47	16	8.95	15	8.91	13	8.92	09/30/2009
TOTAL FUNDS IN CATEGORY	—	194	—	194	—	182	—	169	—	109	—	67	—	—
S&P Target Date 2030 TR USD*	12.55	—	10.37	—	15.06	—	8.74	—	8.53	—	8.37	—	6.12	12/29/2000
US FUND TARGET-DATE 2035														
American Century One Choice 2035 R6	10.75	96	8.80	93	13.48	94	7.17	95	7.78	94	8.06	87	7.34	08/31/2004
American Funds 2035 Trgt Date Retire R6	14.23	26	12.80	5	17.68	10	10.27	7	10.63	1	10.32	1	8.09	02/01/2007
Nuveen Lifecycle Index 2035 R6	14.31	24	12.35	14	17.30	25	9.60	29	9.82	15	9.67	10	9.62	09/30/2009
TOTAL FUNDS IN CATEGORY	—	189	—	189	—	174	—	161	—	110	—	71	—	—
S&P Target Date 2035 TR USD*	13.91	—	11.72	—	17.03	—	10.16	—	9.45	—	9.10	—	6.49	12/29/2000

*Benchmark

TARGET DATE FUND REVIEW

TARGET DATE ANALYSIS | 3Q 2025



Trailing performance & rankings

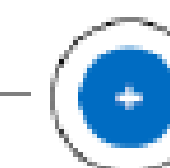
Top decile ●●●●● Bottom decile ●●●●●

Target date fund name	YTD		1 year		3 year		5 year		10 year		15 year		Since inc return	Inception date
	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat		
US FUND TARGET-DATE 2040														
American Century One Choice 2040 R6	11.52	96	9.54	96	14.44	98	7.77	98	8.35	95	8.62	84	7.01	05/30/2008
American Funds 2040 Trgt Date Retire R6	16.05	15	15.02	4	20.04	8	11.59	11	11.46	1	10.90	1	8.54	02/01/2007
Nuveen Lifecycle Index 2040 R6	15.85	17	14.03	15	19.31	19	11.01	24	10.79	11	10.38	10	10.29	09/30/2009
TOTAL FUNDS IN CATEGORY	—	187	—	187	—	175	—	162	—	109	—	67	—	—
S&P Target Date 2040 TR USD*	15.00	—	12.96	—	18.74	—	11.34	—	10.18	—	9.68	—	6.79	12/29/2000
US FUND TARGET-DATE 2045														
American Century One Choice 2045 R6	12.33	96	10.35	95	15.41	98	8.39	98	8.95	96	9.12	84	8.06	08/31/2004
American Funds 2045 Trgt Date Retire R6	16.70	18	15.56	10	20.71	16	11.90	25	11.71	1	11.06	1	8.67	02/01/2007
Nuveen Lifecycle Index 2045 R6	16.84	17	15.17	13	20.59	19	12.04	22	11.42	2	10.79	3	10.68	09/30/2009
TOTAL FUNDS IN CATEGORY	—	184	—	184	—	174	—	161	—	110	—	70	—	—
S&P Target Date 2045 TR USD*	16.04	—	13.84	—	19.90	—	12.10	—	10.66	—	10.05	—	8.09	05/31/2005
US FUND TARGET-DATE 2050														
American Century One Choice 2050 R6	12.82	96	10.99	95	16.33	98	9.10	98	9.50	94	9.53	71	7.58	05/30/2008
American Funds 2050 Trgt Date Retire R6	16.75	38	15.75	13	21.03	25	11.93	46	11.79	1	11.12	1	8.71	02/01/2007
Nuveen Lifecycle Index 2050 R6	17.37	22	15.79	12	21.20	20	12.41	21	11.65	3	10.95	4	10.82	09/30/2009
TOTAL FUNDS IN CATEGORY	—	186	—	186	—	175	—	162	—	109	—	61	—	—
S&P Target Date 2050 TR USD*	16.09	—	14.15	—	20.41	—	12.47	—	10.93	—	10.27	—	8.10	05/31/2006

*Benchmark

TARGET DATE FUND REVIEW

TARGET DATE ANALYSIS | 3Q 2025



Trailing performance & rankings

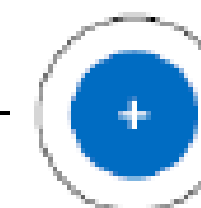
Top decile ●●●●● Bottom decile ●●●●●

Target date fund name	YTD		1 year		3 year		5 year		10 year		15 year		Since inc return	Inception date
	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat	Total return	% rank in cat		
US FUND TARGET-DATE 2055														
American Century One Choice 2055 R6	13.40	96	11.71	93	12.16	98	9.61	98	9.85	88	—	—	9.15	03/31/2011
American Funds 2055 Ttgt Date Retire R6	16.99	36	15.99	13	21.34	21	11.95	50	11.79	1	11.11	1	11.14	02/01/2010
Nuveen Lifecycle Index 2055 R6	17.54	24	15.96	15	21.44	20	12.58	21	11.77	2	—	—	10.18	04/29/2011
TOTAL FUNDS IN CATEGORY	—	184	—	184	—	174	—	161	—	109	—	29	—	—
S&P Target Date 2055 TR USD*	16.50	—	14.47	—	20.61	—	12.63	—	11.06	—	10.41	—	7.48	05/31/2007
US FUND TARGET-DATE 2060														
American Century One Choice 2060 R6	13.75	96	12.01	91	12.59	98	9.93	98	10.04	83	—	—	10.04	09/30/2015
American Funds 2060 Ttgt Date Retire R6	17.01	38	16.01	17	21.39	21	11.95	53	11.77	1	—	—	10.48	03/27/2015
Nuveen Lifecycle Index 2060 R6	17.64	23	16.11	11	21.64	15	12.75	19	11.90	1	—	—	10.39	09/26/2014
TOTAL FUNDS IN CATEGORY	—	184	—	184	—	174	—	156	—	53	—	—	—	—
S&P Target Date 2060 TR USD*	16.42	—	14.44	—	20.66	—	12.62	—	11.14	—	10.45	—	10.73	05/28/2010
US FUND TARGET-DATE 2065+														
American Century One Choice 2065 R6	13.92	97	12.21	95	12.86	97	10.10	97	—	—	—	—	10.67	09/23/2020
American Funds 2065 Ttgt Date Retire R6	16.98	53	16.02	18	21.40	28	11.96	64	—	—	—	—	16.13	03/27/2020
Nuveen Lifecycle Index 2065 R6	17.76	33	16.25	12	21.87	15	12.96	14	—	—	—	—	12.96	09/30/2020
TOTAL FUNDS IN CATEGORY	—	238	—	225	—	148	—	97	—	—	—	—	—	—
S&P Target Date 2065+ TR USD*	16.65	—	14.80	—	20.88	—	12.80	—	—	—	—	—	11.19	05/31/2016

*Benchmark

TARGET DATE FUND REVIEW

TARGET DATE ANALYSIS | 3Q 2025



Fee summary

Target date fund name	Ticker	Net expense ratio	Gross expense ratio
US FUND TARGET-DATE RETIREMENT			
American Century One Choice In Ret R6	ARDTX	0.41	0.51
Category Mean Net Expense Ratio	—	0.66	—
US FUND TARGET-DATE 2000-2010			
American Funds 2010 Tgt Date Retire R6	RFTX	0.29	0.29
Nuveen Lifecycle Index 2010 R6	TLTX	0.10	0.23
Category Mean Net Expense Ratio	—	0.52	—
US FUND TARGET-DATE 2015			
American Funds 2015 Tgt Date Retire R6	RFJTX	0.30	0.30
Nuveen Lifecycle Index 2015 R6	TLFIX	0.10	0.21
Category Mean Net Expense Ratio	—	0.55	—
US FUND TARGET-DATE 2020			
American Funds 2020 Tgt Date Retire R6	RRCTX	0.30	0.30
Nuveen Lifecycle Index 2020 R6	TLWIX	0.10	0.19
Category Mean Net Expense Ratio	—	0.59	—
US FUND TARGET-DATE 2025			
American Funds 2025 Tgt Date Retire R6	RFDTX	0.31	0.31
Nuveen Lifecycle Index 2025 R6	TLQIX	0.10	0.19
Category Mean Net Expense Ratio	—	0.60	—

Target date fund name	Ticker	Net expense ratio	Gross expense ratio
US FUND TARGET-DATE 2030			
American Century One Choice 2030 R6	ARCUX	0.45	0.52
American Funds 2030 Tgt Date Retire R6	RFETX	0.33	0.33
Nuveen Lifecycle Index 2030 R6	TLHIX	0.10	0.18
Category Mean Net Expense Ratio	—	0.66	—
US FUND TARGET-DATE 2035			
American Century One Choice 2035 R6	ARLDX	0.48	0.54
American Funds 2035 Tgt Date Retire R6	RFETX	0.34	0.34
Nuveen Lifecycle Index 2035 R6	TLYIX	0.10	0.18
Category Mean Net Expense Ratio	—	0.68	—
US FUND TARGET-DATE 2040			
American Century One Choice 2040 R6	ARDUX	0.50	0.57
American Funds 2040 Tgt Date Retire R6	RFGTX	0.36	0.36
Nuveen Lifecycle Index 2040 R6	TLZIX	0.10	0.17
Category Mean Net Expense Ratio	—	0.69	—
US FUND TARGET-DATE 2045			
American Century One Choice 2045 R6	ARDOX	0.53	0.58
American Funds 2045 Tgt Date Retire R6	RFHTX	0.37	0.37
Nuveen Lifecycle Index 2045 R6	TL3IX	0.10	0.17
Category Mean Net Expense Ratio	—	0.67	—

Target date fund name	Ticker	Net expense ratio	Gross expense ratio
US FUND TARGET-DATE 2050			
American Century One Choice 2050 R6	ARFEX	0.55	0.60
American Funds 2050 Tgt Date Retire R6	RFITX	0.37	0.37
Nuveen Lifecycle Index 2050 R6	TLIX	0.10	0.17
Category Mean Net Expense Ratio	—	0.69	—
US FUND TARGET-DATE 2055			
American Century One Choice 2055 R6	AREUX	0.54	0.60
American Funds 2055 Tgt Date Retire R6	RFKTX	0.39	0.39
Nuveen Lifecycle Index 2055 R6	TTIX	0.10	0.17
Category Mean Net Expense Ratio	—	0.68	—
US FUND TARGET-DATE 2060			
American Century One Choice 2060 R6	ARGDX	0.54	0.61
American Funds 2060 Tgt Date Retire R6	RFUTX	0.39	0.39
Nuveen Lifecycle Index 2060 R6	TVIX	0.10	0.18
Category Mean Net Expense Ratio	—	0.68	—
US FUND TARGET-DATE 2065+			
American Century One Choice 2065 R6	ARRSX	0.54	0.61
American Funds 2065 Tgt Date Retire R6	RFVIX	0.39	0.39
Nuveen Lifecycle Index 2065 R6	THIX	0.10	0.22
Category Mean Net Expense Ratio	—	0.66	—

MARKETS IN FOCUS

U.S. Gross Domestic Product (GDP) picked up in the 2nd quarter after a disappointing Q1, and expectations are for further growth in Q3

The Federal Reserve cut the fed funds rate for the first time since December 2024 and is expected to cut twice more this year as it balances stubborn inflation and signs of a weakening labor market

Equity markets and bonds broadly rose during the 3rd quarter, though concentration of mega-cap stocks remains a concern as they continue to drive market performance

The U.S. labor market continues to cool gradually as monthly job growth slows and the unemployment rate ticked up to 4.3% in August



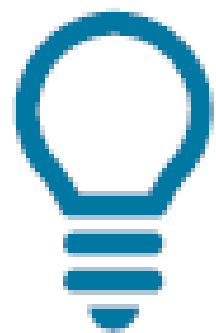
STRENGTH

- ✓ **Economic Growth:** U.S. GDP growth accelerated in the 2nd quarter after a slight contraction in Q1. Growth in the 2nd quarter was 3.8%, and early estimates by the Atlanta Fed's GDPNow are that growth in Q3 could be similar.
- ✓ **Easing Monetary Policy:** The Federal Reserve cut interest rates for the first time this year and is expected to cut rates two more times at the remaining two meetings. Easing monetary policy means that borrowing by companies and consumers is less expensive, which encourages economic growth.
- ✓ **Strength in Equity Markets:** Equity markets continue to shrug off disruptions and uncertainty as stock prices rose further in the 3rd quarter.

- ✓ **Stubborn Inflation:** Inflation ticked up in the later part of the 3rd quarter. There are concerns that tariffs will cause higher inflation over the next few months, though the increase is expected to be temporary.
- ✓ **Tariff Uncertainty:** Beyond the potential impact to inflation, tariffs continue to have an influence on a variety of factors, from international relations to corporate planning and strategy. Upcoming court decisions could impact the future of tariffs.
- ✓ **Job Market:** Cracks have begun to form in the U.S. labor market. The unemployment rate ticked up to 4.3% in August, and the number of new jobs added has fallen dramatically. Still, unemployment remains much lower than the long-term average of 5.7%. [\[Source: Bureau of Labor Statistics\]](#)

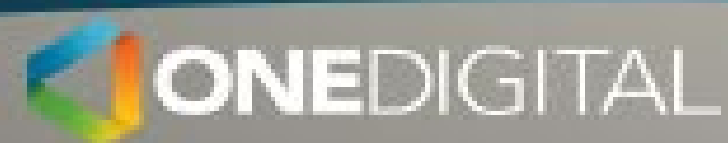


RISKS



OUTLOOK

- ✓ **Cloudiness:** Many factors are obscuring the outlook. Expect to see a potential for higher volatility as the year enters the final quarter. Valuations are at a high starting point, Higher Volatility: Elevated valuations, continued geopolitical conflicts, and the complex nature of policies expected from a new administration, led us to prepare for more overall volatility in the markets this year.
- ✓ **High Valuations and Narrow Market Breadth:** Equity valuations are near their highs, which means that prices are higher than normal. At the same time, a lot of the gains in markets is being driven by a narrow group of companies, which could indicate that the market rally is fragile.
- ✓ **Artificial Intelligence:** After the huge leaps that we saw in 2024 surrounding AI, we expect continued innovation and growth in Artificial Intelligence, which will lead to greater efficiencies and productivity in the U.S.



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JANUARY

5 Questions to Ask
Before Choosing Roth
vs Pretax Retirement
Savings

FEBRUARY

How to Create an
Estate Plan That
Works For You ¹

MARCH

Crafting a Fulfilling
Retirement

APRIL

Surviving Student
Debt

MAY

The Mental Health
Benefits of
Financial Literacy

JUNE

A Crash Course on
Budgeting & Debt
Reduction

JULY

Financial Basics: How
to Start Your Financial
Journey

AUGUST

Home Buying 101 –
Essential
Considerations

SEPTEMBER

Maximizing Your
Employer Sponsored
Benefits

OCTOBER

Timeless Principles of
Investing: The
Fundamentals

NOVEMBER

Investing Strategies
101: A Practical Dive

DECEMBER

Market Outlook: 2027

Investment advice offered through OneDigital Investment Advisors LLC.

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Looking for additional topics like our popular [Retirement Plan Basics?](#)

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2026 FIDUCIARY ACADEMY CALENDAR

Live & On-Demand Webinars | Digital Resources | Complimentary Online Tools

Q1

JANUARY

Q1 Litigation, Legislation, and Retirement Trends

FEBRUARY

SECURE 2.0 Provisions that will Impact Your Plan in 2026

Q2

APRIL

Q2 Litigation, Legislation, and Retirement Trends

MAY

Fiduciary Basics: Understanding Your Fiduciary Duties as a Plan Sponsor

Q3

JULY

Q3 Litigation, Legislation, and Retirement Trends

AUGUST

Building a Financial Resilient Workforce: The Benefits of a Financial Wellness Program

Q4

OCTOBER

Q4 Litigation, Legislation, and Retirement Trends

NOVEMBER

Operational Efficiency: How To Run Your Plan More Effectively

Investment advice offered through OneDigital Investment Advisors LLC.

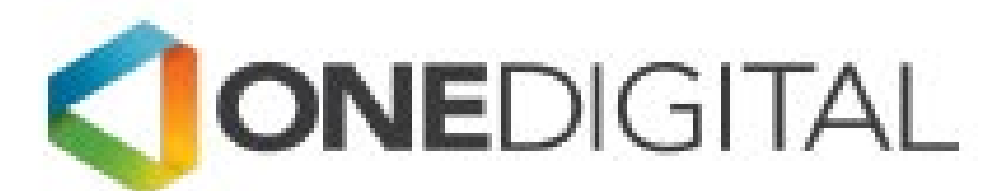
Want to learn more about how to run your plan more effectively?
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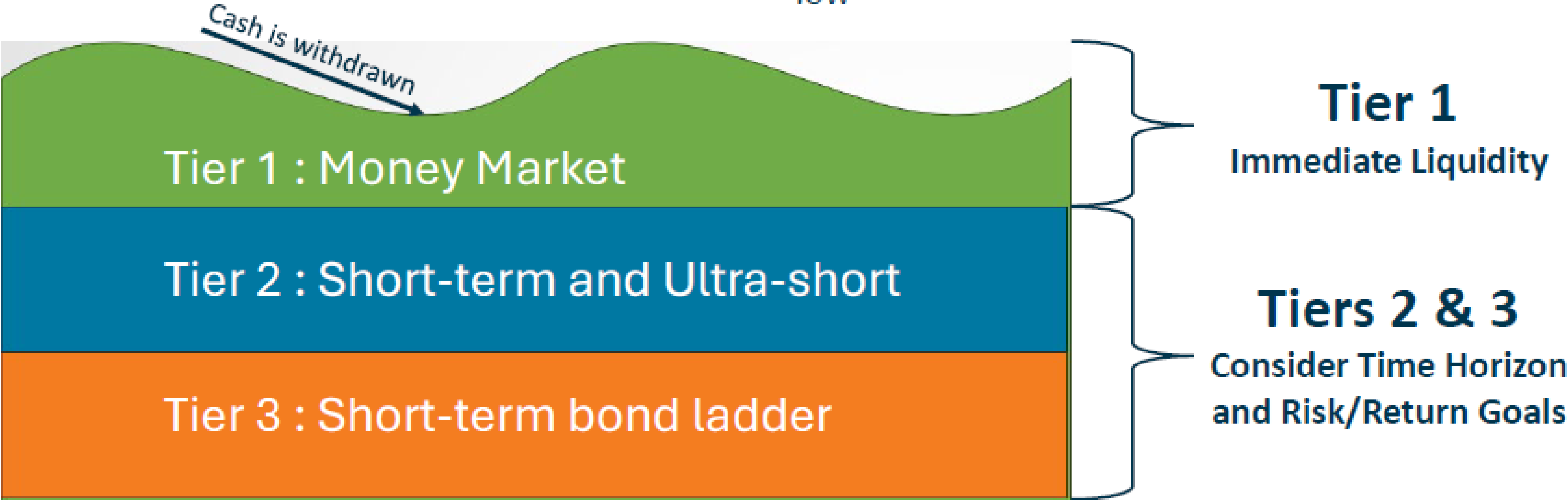


INVESTMENT ACCOUNT UPDATE



WEALTH MANAGEMENT

Tier 1	Tier 2	Tier 3
Seek Capital Preservation	Maintain Liquidity	Enhance Return Potential
Shorten duration to reduce interest rate risk and limit volatility	Flexibility and Diversification to enhance yield while keeping volatility low	Look to benefit from higher yields by adding duration and term premium



Tier 1**Seek Capital Preservation**

Schwab Value Advantage Money Market

Investor Shares
SWVXX – 3.61%*Ultra Shares (min \$1m)
SNAXX – 3.76%***Tier 2****Maintain Liquidity**

Cash Alternative Sleeve

SPDR Barclays Short-Term Treasury ETF
Goldman Sachs Access Ultra Short Bd ETF
Invesco Ultra Short Duration
JPMorgan Ultra-Short Income ETF
Janus Henderson Short DurationYield: 4.12%*
Duration: 0.99***Tier 3****Enhance Return Potential**

Bond Ladder

PIMCO Corporate Ladder
1-3 YearYield: 4.14% ** Duration: 1.87 **
\$150,000 Minimum
Manager Fee: 15 bpsPIMCO Treasury Ladder
0-3 YearYield: 3.30% ** Duration: 0.99 **
\$100,000 Minimum
Manager Fee: 8 bps

* as of 01/02/2026

** as of 12/29/2025

THANK YOU!

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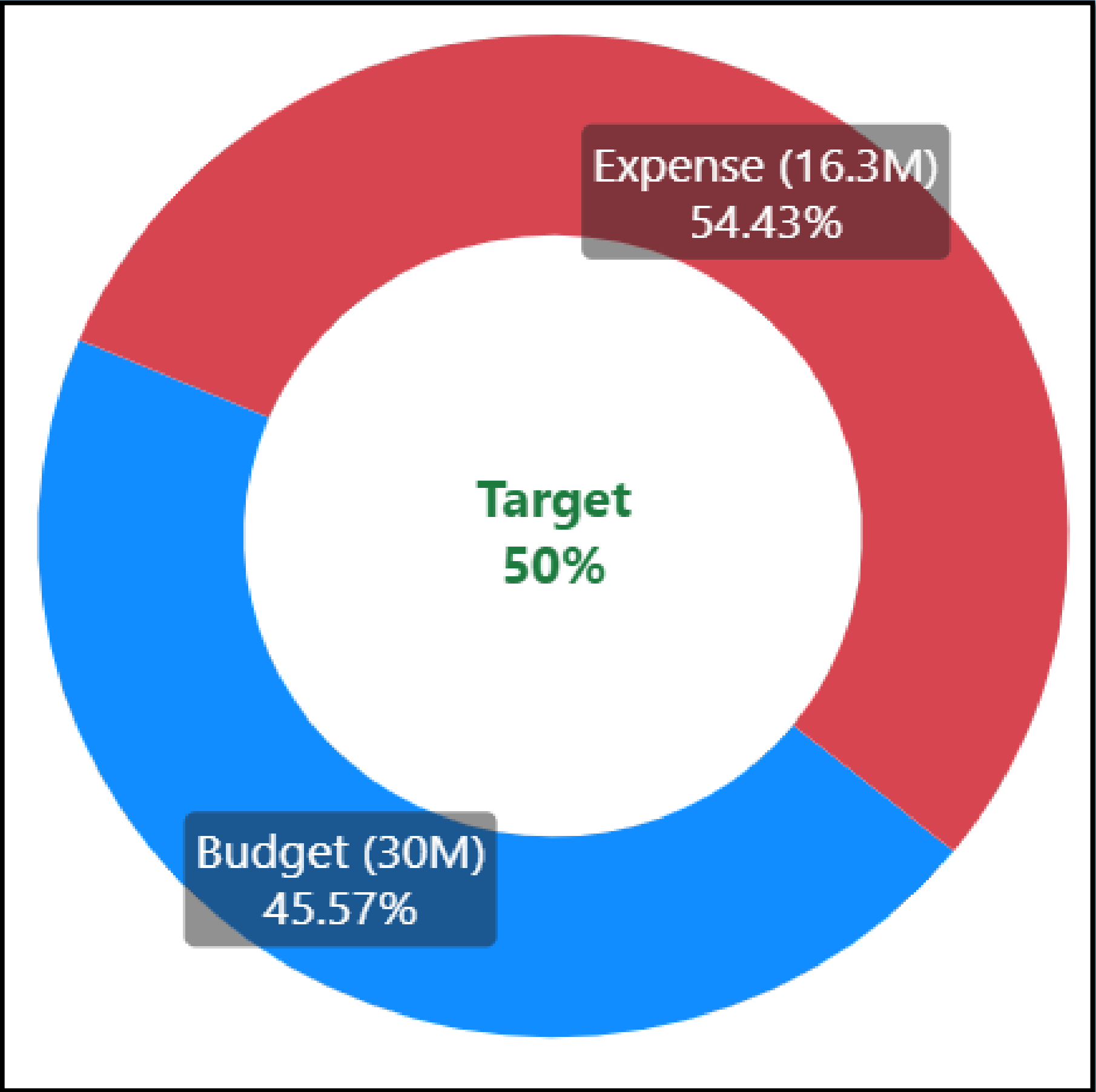
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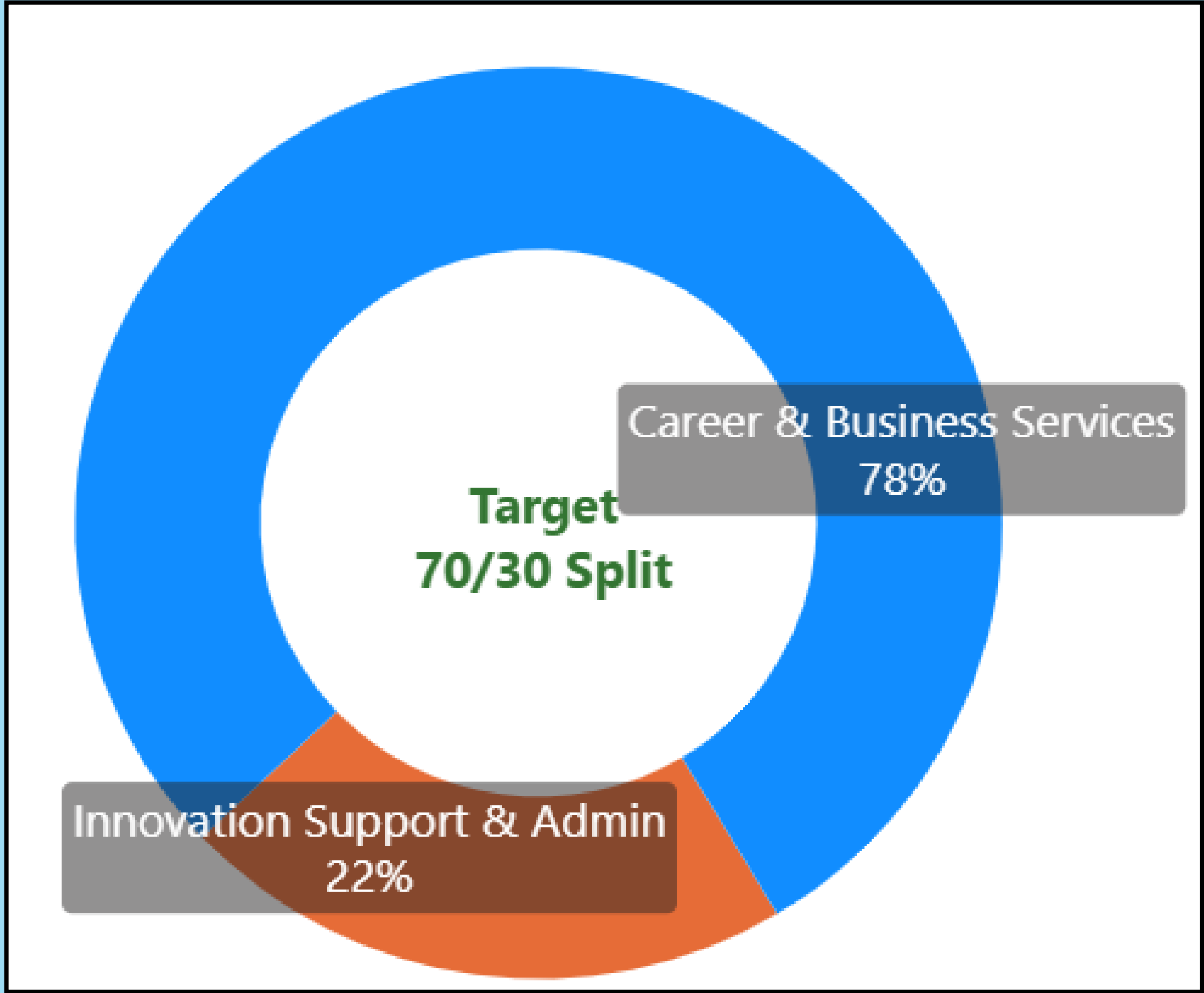
FY 2025 – 2026 MID-YEAR FINANCIALS

BUDGET VS ACTUAL

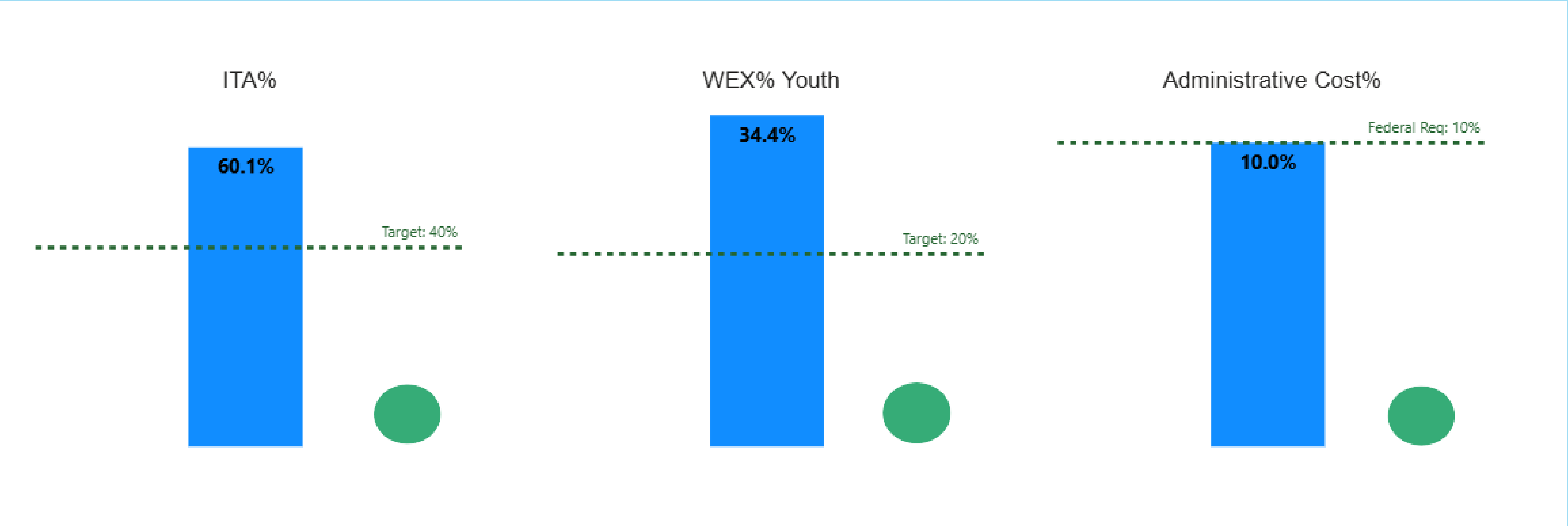
BUDGET VS ACTUAL EXPENSES



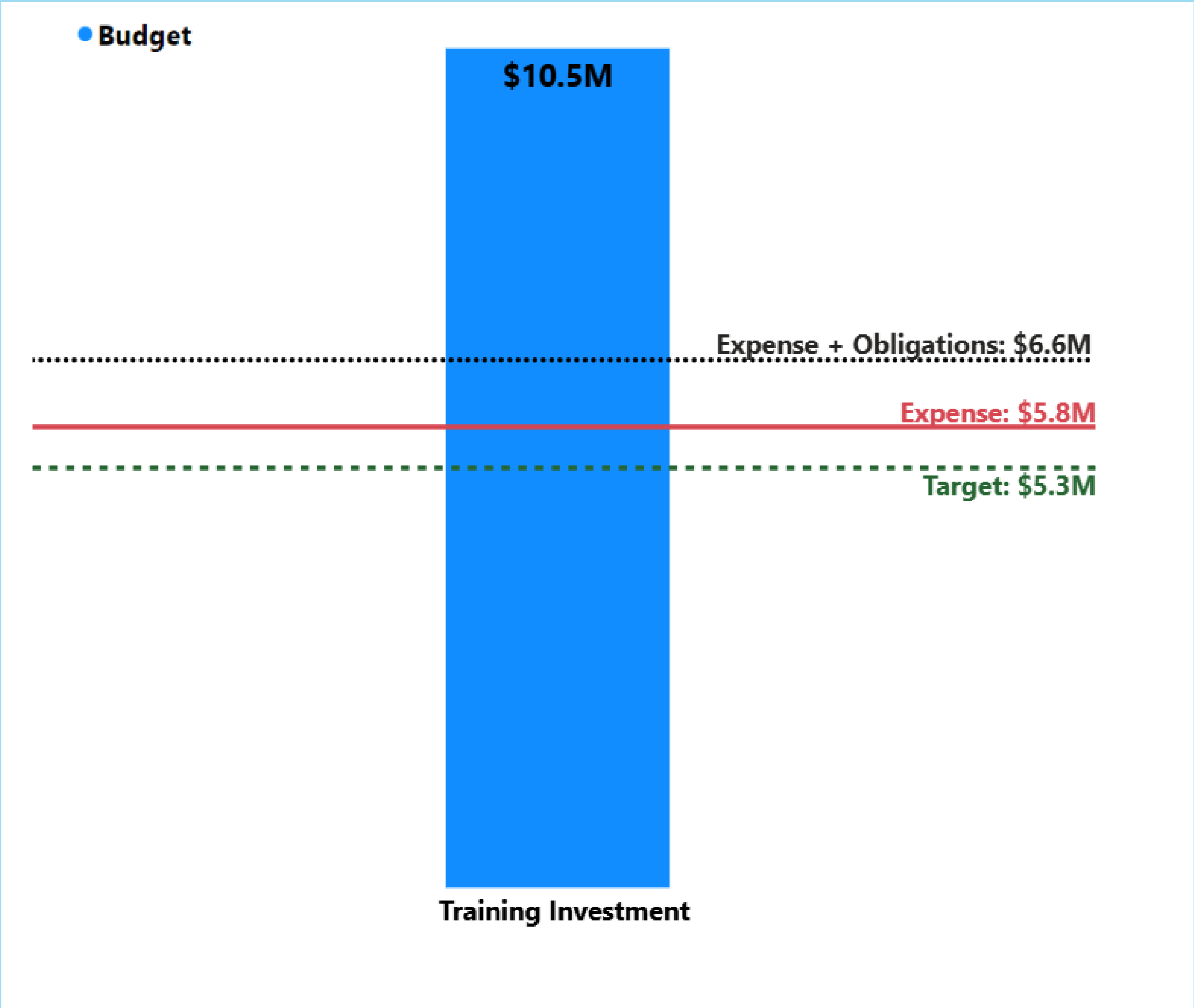
BUDGET OPERATIONS/SUPPORT



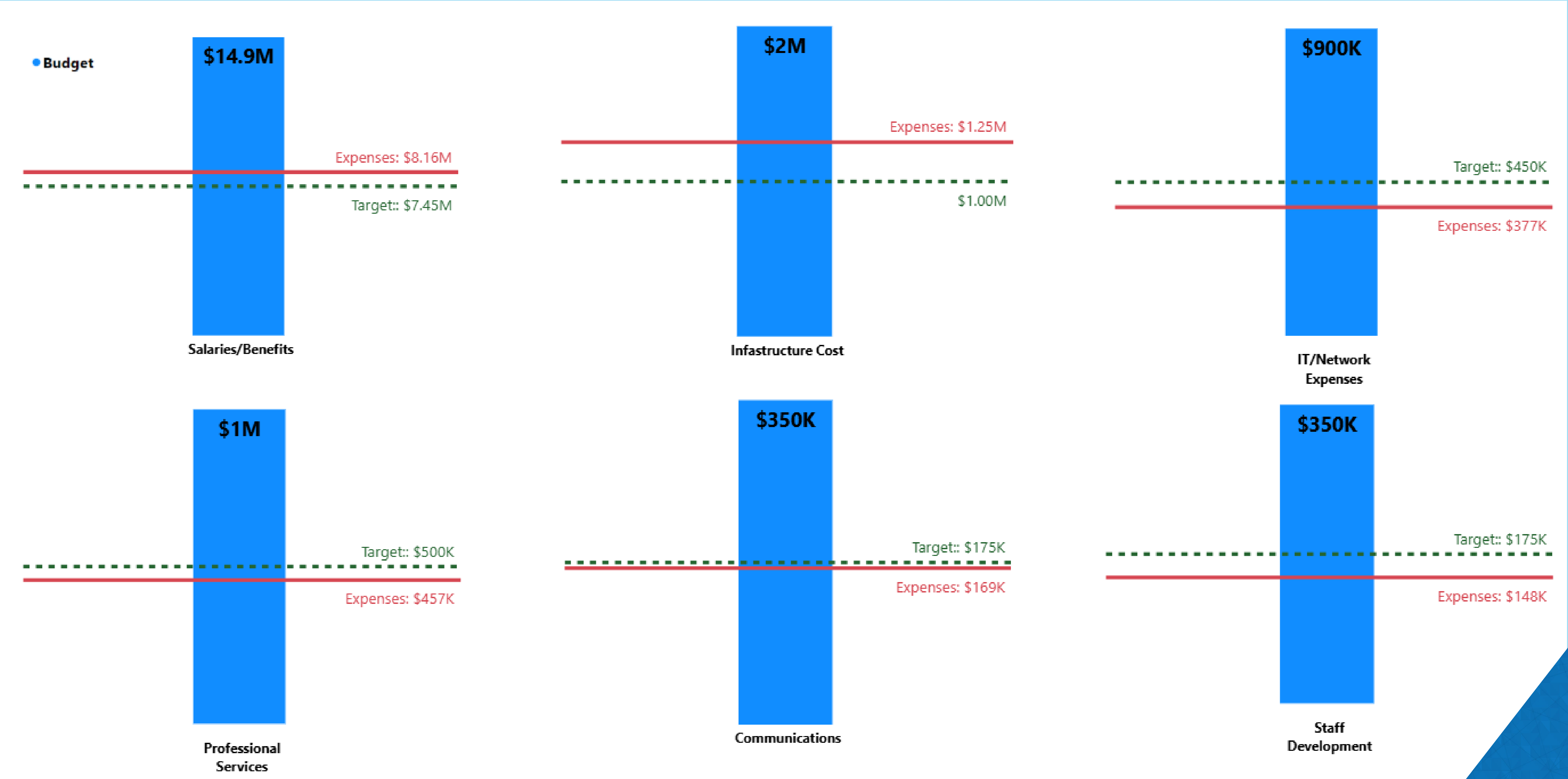
BUDGET FEDERAL/STATE REQUIREMENTS



BUDGET VS ACTUAL BY EXPENDITURE CATEGORY



BUDGET VS ACTUAL BY EXPENDITURE CATEGORY





CareerSource Central Florida
Current Year Budget and 2 yr Expenditure Comparison
As of 12/31/25

Funding Sources	CY	PY	\$	%
	Revenue	Revenue	Difference	Difference
Carry In Funds From FY 2024- 25	10,224,677	11,955,576	(1,730,899)	
FY 25 - 26 Award	23,189,598	31,798,944	(8,609,346)	
Award Total - Available Funds	33,414,275	43,754,520	(10,340,245)	
LESS planned Carryover For FY 26 - 27	(3,414,275)	(8,938,398)	5,524,123	
Total Available Funds Budgeted	30,000,000	34,816,122	(4,816,122)	-13.8%

	Budget	CY	PY	\$	
		Expenditures	Expenditures	Difference	% Difference
Salaries/Benefits	14,900,000	8,158,887	8,742,958	(584,071)	-6.7%
Career & Youth Services	10,500,000	5,766,357	4,768,523	997,834	20.9%
Professional Fees	1,000,000	457,208	636,944	(179,736)	-28.2%
Outreach	350,000	168,919	317,501	(148,582)	-46.8%
Infrastructure/Maintenance & Related Cost	2,000,000	1,253,007	994,306	258,701	26.0%
IT Cost/Network Expenses	900,000	376,548	413,524	(36,976)	-8.9%
Staff Development & Capacity Building	350,000	147,642	244,730	(97,088)	-39.7%
TOTAL EXPENDITURES	30,000,000	16,328,568	16,118,486	210,082	1.3%

		BUDGET		CY ACTUAL	PY ACTUAL
ITA % (Adult DW)		45.0%		60.1%	42.2%
ITA% (Youth)		20.0%		34.4%	17.6%
ADMINISTRATIVE COST %		10.0%		10.0%	10.0%



Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information/
Discussion/
Action Items

► Other Business

Adjournment

Appendix

OTHER BUSINESS



Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information/
Discussion/
Action Items

Other Business

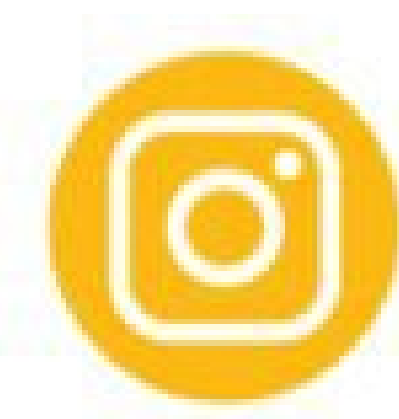
Adjournment

Appendix

ADJOURNMENT



CONNECT WITH US



or in person by appointment, in your place of business or at one of our Career Centers.



Visit us
online



THANK YOU

www.CareerSourceCentralFlorida.com

800.757.4598



Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information/
Discussion/
Action Items

Other Business

Adjournment

Appendix

APPENDIX:

1. FY 24-25 AUDIT FINANCIAL STATEMENTS

2. FY 24-25 LWDB 12 PROGRAMMATIC & FINANCIAL STATEMENTS REPORT

3. FY 24-25 403(B) AUDIT REPORT



FY 24-25

AUDIT FINANCIAL STATEMENTS

**CENTRAL FLORIDA REGIONAL
WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)**

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

As of and for the Year Ended June 30, 2025

And Reports of Independent Auditor

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
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Report of Independent Auditor

To the Board of Directors
Central Florida Regional Workforce Development Board, Inc.
d/b/a CareerSource Central Florida
Orlando, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **REPORT DATE**, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Orlando, Florida
REPORT DATE

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2025

ASSETS

Current Assets:

Cash	\$ 4,002,959
Grants receivable	545,675
Other receivables	621,756
Prepaid expenses and other current assets	839,102
Total Current Assets	<u>6,009,492</u>

Property and Equipment:

Leasehold improvements	120,057
Data processing equipment	288,496
Total Property and Equipment	408,553
Less accumulated depreciation	<u>(403,635)</u>
Property and Equipment, Net	<u>4,918</u>

Operating lease right-of-use assets

2,254,560

Deposits

103,890

Total Assets

\$ 8,372,860

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 1,813,137
Accrued compensation	1,076,471
Grant advances	935,675
Deferred revenue	1,348,222
Current portion of operating lease liabilities	1,339,223
Total Current Liabilities	<u>6,512,728</u>

Noncurrent Liabilities:

Operating lease liabilities, net of current portion	<u>867,097</u>
Total Liabilities	<u>7,379,825</u>

Net Assets Without Donor Restrictions

993,035

Total Liabilities and Net Assets

\$ 8,372,860

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

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

Revenues:

Federal financial assistance	\$ 27,680,019
Other federal assistance	6,378,870
Contributions and other revenue	219,717
Interest income	<u>2,662</u>
Total Revenues	<u>34,281,268</u>

Expenses:

Program services	30,871,816
Management and general	<u>3,597,783</u>
Total Expenses	<u>34,469,599</u>

Change in net assets	(188,331)
Net assets without donor restrictions, beginning of year	<u>1,181,366</u>
Net assets without donor restrictions, end of year	<u><u>\$ 993,035</u></u>

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

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2025

Cash flows from operating activities:

Change in net assets	\$ (188,331)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation/amortization	1,337,608
Change in operating assets and liabilities:	
Grants and other receivables	(33,345)
Prepaid expenses and other current assets	184,382
Deposits	(8,692)
Accounts payable and accrued expenses	837,618
Accrued compensation	(49,843)
Grant advances	(259,661)
Deferred revenue	(526,868)
Net cash flows from operating activities	<u>1,292,868</u>

Cash flows from investing activities:

Purchases of right-of-use assets	<u>(99,472)</u>
----------------------------------	-----------------

Cash flows from financing activities:

Payments of lease liability	<u>(1,308,837)</u>
-----------------------------	--------------------

Net change in cash	(115,441)
Cash, beginning of year	<u>4,118,400</u>
Cash, end of year	<u><u>\$ 4,002,959</u></u>

Supplemental disclosure of cash flow information:

Acquisition of right-of-use assets from leases	<u>\$ 1,369,470</u>
--	---------------------

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

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2025

Note 1—Nature of the Organization

Central Florida Regional Workforce Development Board, Inc., d/b/a CareerSource Central Florida (the "Organization") was established on September 12, 1996 as a nonprofit organization to promote and enhance productive employment of individuals in the Florida counties of Orange, Seminole, Osceola, Lake, and Sumter ("Region 12"). The Organization was created to fulfill the duties and responsibilities provided for by the Workforce Florida Act of 1996 consistent with the provisions of job training, job placement, and benefit services to the citizens of the five counties. The governing body of the Organization consists of board members who are appointed by state and local officials to oversee conformance with grant regulations.

The Organization is the grant recipient and grant administrator for the following grants in Region 12:

Welfare Transition Services ("WTS") – WTS programs are designed to emphasize work, self-sufficiency, and personal responsibility for welfare recipients and to enable them to move from welfare to work.

Workforce Innovation and Opportunity Act ("WIOA") – WIOA programs provide youth, unskilled adults and dislocated workers with the information, advice, job search assistance and training they need to get and keep good jobs and provide employers with skilled workers.

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

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

Disabled Veterans Outreach Program ("DVOP") – DVOP programs are designed to develop jobs and job training opportunities for disabled and other veterans and to provide outreach to veterans through all community agencies and organizations.

Local Veterans Employment Representative Program ("LVER") – LVER programs provide job development, placement, and support services directly to veterans.

Reemployment and Eligibility Assessments ("RESEA") – RESEA grants provide funds to administer the program of reemployment and eligibility assessments for eligible workers through federal and state cooperation.

Trade Adjustment Assistance ("TAA") – TAA grants provide funding for the individuals who have lost jobs due to the export of those jobs.

Temporary Assistance for Needy Families ("TANF") – TANF provides cash assistance to indigent American families with dependent children through the United States Department of Health and Human Services.

Youthbuild – The Youthbuild program combines educational, leadership, mentoring and hands-on work experience components to train youth in the construction industry fields.

National Emergency Grants – Hurricane Ian and Opioid – The purpose of the National Emergency Grants program is to temporarily expand service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events.

Coronavirus Relief Fund – The purpose of the Coronavirus Relief Fund is to provide payments to cover necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 ("COVID-19").

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2—Summary of significant accounting policies

Basis of Presentation – The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Net Assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. All of the net assets of the Organization are classified as net assets without donor restrictions and are not subject to donor-imposed restrictions.

Revenue Recognition – Federal financial assistance revenues are associated with cost-reimbursement contracts and are earned and recognized as revenue as allowable grant costs are incurred. Grant advances consist of revenue not yet recognized because allowable grant costs have not yet been incurred, although related cash has been received.

Functional Expenses and Cost Allocations – The costs of providing the various programs and other activities have been detailed in the schedule of functional expenses in the notes to the financial statements and summarized on a functional basis in the statement of activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided based on an approved cost allocation plan. These costs are allocated based on client information, staffing, and other applicable statistics. Indirect costs are allocated to all programs under a negotiated indirect cost rate.

Grants and Other Receivables – Grants and other receivable are stated at cost (no allowance for credit loss at June 30, 2025). Management believes all receivables are collectable.

Property and Equipment – Property and equipment is stated at cost and are defined by the Organization with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 9 years. Leasehold improvements are depreciated over the shorter of the estimated useful life or the term of the lease.

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

Income Taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and from state income taxes under similar provisions of the Florida Income Tax Code.

Concentration of Credit Risk – The Organization places its cash on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers all accounts at a single depository institution up to \$250,000.

During the year, the Organization from time to time may have had amounts on deposit in excess of the insured limits. As of June 30, 2025, the Organization had a balance of approximately \$3,510,000 on deposit in excess of insured amounts. Management believes the associated risk is minimized by placing such assets with quality financial institutions. The Organization has not experienced any losses on such accounts.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 2—Summary of significant accounting policies (continued)

Deferred Revenue – Deferred revenue primarily relates to payments received by the Organization from the Orange County Department of County Commissioners for Level Up Orange. Total deferred revenue at June 30, 2025 was \$1,348,222.

Fair Value of Financial Instruments – The respective carrying values of certain on-balance sheet financial instruments approximate their fair values due to the short-term nature of these instruments. These financial instruments include cash, grants and other receivables, accounts payable and accrued expenses, accrued compensation, and grant advances.

Subsequent Events – The Organization has evaluated events and transactions through **REPORT DATE**, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Note 3—Leases

At June 30, 2025, other assets include a right-of-use (“ROU”) operating lease asset of \$2,254,560 other current liabilities include current operating lease liabilities of \$1,339,223, and other noncurrent liabilities include long-term lease liabilities of \$867,097.

The Organization’s lease portfolio, for which the Organization is the lessee, is made up of real estate leases. The Organization’s real estate lease portfolio consists of buildings and office space, which were previously classified as operating leases under Accounting Standards Codification (“ASC”) 840. The real estate leases have escalating rent payments which increase on an annual basis. The Organization’s leases have remaining lease terms of one year to three years, some of which include options to extend from one to five years or more. The exercise of lease renewal options is typically at the Organization’s sole discretion; therefore, the majority of renewals to extend the lease terms are not reasonably certain to exercise and are not included in ROU assets and lease liabilities. Lease modifications result in remeasurement of the lease liability as of the modification date.

For contracts entered into on or after the effective date or at the inception of a contract, the Organization assessed whether the contract is, or contains, a lease. The assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Organization obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether the Organization has the right to direct the use of the asset.

The Organization has elected not to recognize ROU assets and lease liabilities for short-term leases that have a term of 12 months or less. The effect of short-term leases would not be material to the ROU assets and lease liabilities.

Under ASC 842, the Organization discounts future lease obligations by the rate implicit in the contract, unless the rate cannot be readily determined. As most of our leases do not provide an implicit rate, the Organization uses the risk-free borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments.

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 3—Leases (continued)

Total lease costs for the year ended June 30, 2025 were \$1,308,837.

The supplementary cash and noncash disclosures for the year ended June 30, 2025 are as follows:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 1,398,304
ROU assets obtained in exchange for new operating lease liabilities	1,453,558
Weighted-average remaining lease term in years for operating leases	2.1
Weighted-average discount rate for operating leases	2.90%

Maturities of lease liabilities as of June 30, 2025 were as follows:

Years Ended June 30,

2026	\$ 1,382,071
2027	345,647
2028	220,072
2029	220,188
2030	118,606
Total undiscounted cash flows	2,286,584
Less present value discount	(80,264)
Total lease liabilities	<u>\$ 2,206,320</u>

Note 4—Grants receivable

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

Program:

SNAP	\$ 284,811
WIOA dislocated worker	198,548
WIOA sector-based training initiatives	25,000
LVER	16,220
Other	21,096
Grants receivable	<u>\$ 545,675</u>

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 5—Grant advances

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

Program:		
WIOA adult	\$	540,038
WIOA youth		200,413
Temporary assistance for needy families		122,999
National emergency - Hurricane Ian		47,041
Wagner Peyser		18,466
Other		6,718
Grant advances	\$	<u>935,675</u>

Note 6—Retirement plan

The Organization maintains a retirement plan in accordance with Section 403(b) of the IRC for all employees who have completed six months of service. Under the terms of the plan, the Organization makes contributions to the plan each year for each eligible employee in an amount equal to 100% of the employee's elective deferral, the total not to exceed 8% of eligible employee's annual salary. Total contributions to the 403(b) retirement plan by the Organization for the year ended June 30, 2025 were \$762,644. On October 1, 2024 the Organization established a retirement plan in accordance with Section 457(b) of the IRC for certain employees that were determined by the Organization. There were no contributions to the 457(b) retirement plan by the Organization for the year ended June 30, 2025.

Note 7—Related party transactions

The Organization recorded \$713,893 of tuition and other fees to entities that had employees on the Board of Directors during the year ended June 30, 2025.

Note 8—Functional allocation of expenses

Expenses by function and nature for the fiscal year ended June 30, 2025 were as follows:

	Program Services	Management and General	Total
Salaries, benefits, and payroll taxes	\$ 14,282,636	\$ 2,737,077	\$ 17,019,713
Career and youth services	11,764,777	14,406	11,779,183
Professional services	934,119	353,001	1,287,120
Outreach	351,413	7,436	358,849
Facilities and maintenance	1,956,355	43,902	2,000,257
Information technology	741,264	173,986	915,250
Subrecipients	102,317	-	102,317
Staff development, and capacity building	738,935	267,975	1,006,910
	<u>\$ 30,871,816</u>	<u>\$ 3,597,783</u>	<u>\$ 34,469,599</u>

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 9—Liquidity and availability of resources

As of June 30, 2025, the following reflects the Organization's financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year:

Financial assets at year-end:

Cash	\$	4,002,959
Grants receivable		545,675
Other receivable		621,756
Financial assets available to meet general expenditures within one year	\$	<u>5,170,390</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also has the ability to make weekly cash draws against Florida Commerce awards to support general program expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Note 10—Contingencies

Federal Grants and Questionable Costs – The Organization's operations are funded by grants through contracts from federal government agencies which are passed through Florida Commerce and the Orange County Department of County Commissioners. The Organization is subject to state and federal audit examination to determine compliance with grant requirements. In the event that expenditures would be disallowed, repayment could be required.

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

SUPPLEMENTARY INFORMATION

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title/Grant Number	Assistance Listing Number	Passed Through to Subrecipients	Federal Expenditures
United States Department of Agriculture:			
Passed through FloridaCommerce:			
SNAP Cluster:			
Supplemental Nutrition Assistance Program	10.561	\$ -	\$ 806,594
Total SNAP Cluster		-	806,594
Total United States Department of Agriculture		-	806,594
United States Department of Labor:			
Passed through FloridaCommerce:			
Employment Services Cluster:			
Wagner Peyser	17.207	-	2,763,972
Disabled Veterans' Outreach Program	17.801	-	248,101
Local Veterans' Employment Representative Program	17.801	-	178,882
		-	426,983
Total Employment Services Cluster		-	3,190,955
Reemployment and Eligibility Assessments	17.225	-	762,561
Trade Adjustment Assistance	17.245	-	2,091
National Emergency - Opioid	17.277	1,339	71,933
National Emergency - Hurricane Ian	17.277	-	1,483,997
		1,339	1,555,930
WIOA Cluster:			
WIOA Adult	17.258	27,497	6,439,305
WIOA Youth	17.259	37,869	3,322,271
WIOA Dislocated Worker	17.278	35,612	3,966,979
Total WIOA Cluster		100,978	13,728,555
Total United States Department of Labor		102,317	19,240,092
United States Department of Health and Human Services:			
Passed through FloridaCommerce:			
Temporary Assistance for Needy Families (TANF)	93.558	-	7,768,552
Total United States Department of Health and Human Services		-	7,768,552
United States Department of Treasury:			
Passed through the Orange County Department of County Commissioners:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - LUO	21.027	-	4,342,672
Total United States Department of Treasury		-	4,342,672
Total Expenditures of Federal Awards		\$ 102,317	\$ 32,157,910

The accompanying notes are an integral part of this financial schedule.

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)**
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Central Florida Regional Workforce Development Board, Inc., d/b/a CareerSource Central Florida (the "Organization") under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented 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 the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Note 2—Summary of significant accounting policies

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

Note 3—Reconciliation of financial records to the subrecipient enterprise resource application

The year-to-date grant expenditure totals reported in the Organization's financial statements are reconciled to subrecipient enterprise resource application ("SERA") report totals. Differences between the amounts reported in the Organization's financial records and the reported totals in SERA occur frequently, since other costs from invoices received after the date of SERA reports may be recognized in the financial statements in accordance with the Organization's normal month-end closing procedures.

Note 4—Indirect cost rate

The Organization did not elect to use the 10% de minimis indirect cost rate.

Note 5—Cash assistance

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

OTHER REPORTS

**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Board of Directors
Central Florida Regional Workforce Development Board, Inc.
d/b/a CareerSource Central Florida
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated **REPORT DATE**.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Orlando, Florida

REPORT DATE

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Central Florida Regional Workforce Development Board, Inc.
d/b/a CareerSource Central Florida
Orlando, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Central Florida Regional Workforce Development Board's, Inc. d/b/a CareerSource Central Florida (the "Organization") (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement*, that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal programs are identified in the *summary of auditor's results* section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Orlando, Florida

REPORT DATE

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2025

Section I—Summary of auditor's results

Financial statement section:

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal awards section:

Internal control over major programs:

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

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

Unmodified

Any audit findings disclosed that are required to be reported in
in accordance with 2 CFR 200.516(a)?

☐ yes ☒ no

Identification of major programs:

<u>Assistance Listing #</u>	<u>Program Name</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.558	Temporary Assistance for Needy Families (TANF)

Dollar threshold used to determine Type A Programs

\$964,737

Auditee qualified as low-risk auditee?

☒ yes ☐ no

Section II—Schedule of financial statement findings

None reported for the year ended June 30, 2025.

Section III—Federal award findings and questioned costs

None reported for the year ended June 30, 2025.

Section IV—Prior year findings

There were no prior year findings reported.

CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
(D/B/A CAREERSOURCE CENTRAL FLORIDA)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

Section V—Other matters

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



FY 24-25

LWDB 12 PROGRAMMATIC & FINANCIAL

STATEMENTS REPORT

Financial Monitoring Quality Assurance Report

CareerSource Central Florida
Local Workforce Development Board – 12

Fiscal Year July 1, 2023- June 30, 2024

November 13, 2025



Prepared by
Division of Finance and Administration
Bureau of Financial Monitoring and Accountability

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Executive Summary

FloridaCommerce's Bureau of Financial Monitoring and Accountability (FMA) conducted a financial monitoring review of CareerSource Central Florida's (CSCF) financial operations for the period of July 1, 2023 – June 30, 2024. Monitoring activities included assessing CSCF's financial operations, management practices, internal controls, and financial record keeping and reporting to determine if CSCF operated in compliance with federal and state laws, rules, regulations, statutes, policies and guidance, and terms and conditions of the federal award.

Financial management issues identified in the report are categorized as Findings, Other Noncompliance Issues (ONIs), Observations, and Technical Assistance based on a scale of high, medium, and low risk factors. High, medium, and low risk factors are used to separate issues that present more of a threat to financial operations including issues that may impact the board's fiscal integrity or delivery of services.

The review revealed that CSCF has the systems in place to perform the broad management, operational, and financial functions required to operate the workforce programs; however, one issue of noncompliance was identified in the financial monitoring review. While no material issues or weaknesses came to the reviewers' attention, there is no assurance that other issues do not exist.

The results of CSCF's Fiscal Year 2023-2024 financial monitoring review are summarized in the chart below.

SUMMARY TABLE OF FINANCIAL MONITORING RESULTS

FY 2023-24 Financial Monitoring Results						
Category	Issue	Prior Year Finding	Current Year Finding	Prior Year Other Noncompliance Issue	Current Year Other Noncompliance Issue	Observations/ Technical Assistance
7.0 – General Ledger and Cost Allocation	MOUs missing CLEO signature				Y	
Results - All Categories					1	

Note: For prior year findings and other noncompliance issues, please see the section on Prior Year Corrective Action Follow-Up.

DEFINITIONS APPLICABLE TO FINANCIAL MONITORING

1. Finding – A high risk issue that directly impacts the integrity or effectiveness of financial operations or could potentially result in major financial deficiencies (e.g., lack of accounting records or no system of accounting, no documentation to support expenditures, lack of internal controls, lack of fully executed contracts, issues indicative of systemic problems in financial operations, has the appearance of fraud or abuse, potential questioned costs, etc.). Findings are expected to be responded to in the Corrective Action Plan (CAP).
2. Other Noncompliance Issue – A medium risk finding that results in deviation from process or practice not likely to result in failure of the management system or process but has a direct impact on financial operations (e.g., missing financial elements, failure to timely conduct follow-ups, etc.) ONIs could potentially be upgraded to a finding over time based on the nature of the deficiency (e.g., repeat violations, issues indicative of systemic problems in financial operations, questioned costs, etc.). ONIs are expected to be responded to in the CAP.
3. Observation – A low risk issue that is intended to offer constructive comments and an opportunity to improve current local practices, processes, and procedures that result in positive financial outcomes. Observations are not expected to be responded to in the CAP except when requested.
4. Technical Assistance – Any assistance provided by the financial monitoring team to LWDB staff.

**MONITORING REPORT
CAREERSOURCE CENTRAL FLORIDA
LOCAL WORKFORCE DEVELOPMENT BOARD - 12**

I. DESCRIPTION OF MONITORING APPROACH

The scope of the financial review included an examination of CSCF's internal controls, financial management systems, procurements, contract management processes, subrecipient monitoring, cost allocations, payroll, disbursement testing, and reporting and reconciliation of financial data in SERA to determine if appropriate processes, procedures, and controls were in place and properly implemented. In some instances, interviews were conducted with CSCF staff to gather information about financial management processes.

Compliance Review Abstract Information

- Financial Monitoring Review Dates: February 24, 2025 – February 28, 2025
- Financial Monitoring Sample Review Period Dates: July 1, 2023 – June 30, 2024

II. FINANCIAL MONITORING REVIEW

FMA performed financial monitoring procedures based on the elements described in the PY 2024-2025 Financial Monitoring Tool. The results of financial monitoring testing are described below.

Prior Year Corrective Action Follow-up

There were no findings or other noncompliance issues in the prior year.

FY 2023-2024 Financial Monitoring Results

Findings

There were no findings identified during the financial monitoring review period of July 1, 2023, to June 30, 2024.

Other Noncompliance Issues

FMA #12.25.01

Category: WP – 7.0 General Ledger and Cost Allocation

Condition: CSCF's Memorandum of Understanding & Infrastructure Funding Agreements with Florida Division of Blind Services and the School Board of Orange County, Florida did not include all required information in accordance with 20 CFR 678.500(d) and 20 CFR 678.755(c) as follows:

- Identification of all chief elected officials participating in the infrastructure funding arrangement
- Signatures of the chief elected official(s)

Criteria: 20 CFR.678.500(d) states, in part, "When fully executed, the MOU must contain the signatures of the Local WDB, one-stop partners, the chief elected official(s), and the time period in the agreement is effective."

20 CFR 678.755(c) requires that the MOU must identify all one-stop partners, chief elected officials, and Local WDB participating in the infrastructure funding arrangement.

Cause: CSCF did not use the MOU IFA template that was last updated on August 9, 2023, which includes a line for the chief elected official signature.

Effect: Absent the required identification and signature of the chief elected official(s), CSCF's MOU IFA may lack enforceability as well as accountability and transparency in the use of funds and responsibilities of both parties.

Required Action: CSCF must ensure all required elements are included in Memorandums of Understanding & Infrastructure Funding Agreements. CSCF must provide a copy of the current fully executed MOU IFAs for Florida Division of Blind Services and the School Board of Orange County to FloridaCommerce with the CAP response. If the agreements cannot be provided within the timeframe of the CAP response, CSCF must provide a timeline for the submission of the amended MOU IFAs.

Observations/ Technical Assistance

There were no observations identified or technical assistance provided during the financial monitoring review period of July 1, 2023, to June 30, 2024.

Financial Monitoring Review Dates: February 24, 2025 – February 28, 2025

Financial Monitoring Sample Review Period: July 1, 2023 – June 30, 2024

Name	Agency	Entrance Conference	Exit Conference
The joint entrance conference with LWDB staff was conducted on February 24, 2025. The financial monitoring exit conference was conducted on November 4, 2025. The entrance/exit conference attendees are listed below:			
Robert Meadows	FloridaCommerce	X	
Sarah Rudnik	FloridaCommerce		X
Yvette McCullough	FloridaCommerce	X	X
Pam Nabors	CSCF	X	
Tadar Muhammad	CSCF	X	
Leo Alvarez	CSCF	X	X
Kristi Vilardi	CSCF	X	X

APPENDIX - ACRONYM LIST

The list below includes acronyms that may have been used in the Fiscal Year July 1, 2023 – June 30, 2024 monitoring review cycle.

AP - Administrative Policy
CAP – Corrective Action Plan
CFR – Code of Federal Regulations
CSCF - CareerSource Central Florida
DVOP – Disabled Veterans Outreach Program
DWG – Disaster Recovery Dislocated Worker Grant
DW – Dislocated Worker
ETA – Employment and Training Administration
F.A.C. – Florida Administrative Code
FG – Final Guidance
FloridaCommerce - Florida Department of Commerce
FMA – Bureau of Financial Monitoring and Accountability
F.S. – Florida Statutes
FY – Fiscal Year
IT – Information Technology
ITA – Individual Training Account
IWT – Incumbent Worker Training
JVA – Jobs for Veterans Act
JVSG – Jobs for Veterans State Grant
LLC – Limited Liability Corporation
LVER – Local Veterans Employment Representative
LWDB – Local Workforce Development Board
MOU/IFA – Memorandum of Understanding & Infrastructure Funding Agreement
MSFW – Migrant and Seasonal Farmworker
ONI – Other Noncompliance Issue
PY – Program Year
RESEA – Reemployment Services and Eligibility Assessment Program
SNAP E&T – Supplemental Nutrition Assistance Program Employment and Training
SYEP – Summer Youth Employment Program
TAA – Trade Adjustment Assistance
TANF – Temporary Assistance for Needy Families
TCA – Temporary Cash Assistance
TEGL – Training and Employment Guidance Letter
U.S.C. – United States Code
WE – Work Experience
WFS – Workforce Services
WIOA – Workforce Innovation and Opportunity Act
WP – Wagner-Peyser
WSA – Work Search Activity
WT – Welfare Transition



FY 24-25 403(B) AUDIT REPORT

**CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES**

***As of June 30, 2025 and 2024 and
for the Year Ended June 30, 2025***

And Report of Independent Auditor

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN
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Note: All other schedules required by Section 2520.103-10 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

DRAFT

Report of Independent Auditor

To the Plan Administrator
CareerSource Central Florida 403(b) Plan
Orlando, Florida

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the accompanying financial statements of CareerSource Central Florida 403(b) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statements of net assets available for benefits as of June 30, 2025 and 2024, and the related statement of changes in net assets available for benefits for the year ended June 30, 2025, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of DOL's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institutions").

Management has obtained certifications from qualified institutions as of June 30, 2025 and 2024, and for the year ended June 30, 2025, stating that the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the financial statements referred to above related to assets held by and certified to by qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments; administering the Plan; and determining the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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

Supplemental Schedules Required by ERISA

The supplemental schedules, Schedule of Delinquent Participant Contributions – Form 5500, Schedule H, Part IV, Line 4a for the year ended June 30, 2025, and Schedule of Assets (Held at End of Year) – Form 5500, Schedule H, Part IV, Line 4i as of June 30, 2025, are presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedules related to assets held by and certified to by qualified institutions agrees to or is derived from, in all material respects, the information prepared and certified by institutions that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Orlando, Florida
REPORT DATE

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Investments, at fair value	\$ 12,495,094	\$ 10,684,390
Fully benefit-responsive investment contracts, at contract value	832,008	631,255
Notes receivable from participants	222,771	183,215
Employer contribution receivable	-	170
Participants contribution receivable	-	170
Total Assets	13,549,873	11,499,200
LIABILITIES		
Contributions refund payable	-	961
Net Assets Available for Benefits	\$ 13,549,873	\$ 11,498,239

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

CAREERSOURCE CENTRAL FLORIDA**403(b) PLAN****STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS***YEAR ENDED JUNE 30, 2025*

Additions to net assets attributed to:

Investment Income:

Net appreciation in fair value and contract value of investments	\$ 794,143
Interest and dividends	402,716
Other income	<u>1,036</u>
Net Investment Income	<u>1,197,895</u>

Interest income on notes receivable from participants	<u>18,527</u>
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Contributions:

Participants	965,505
Employer	762,675
Other contributions, including rollovers	<u>154,192</u>
Total Contributions	<u>1,882,372</u>
Total Additions	<u>3,098,794</u>

Deductions from net assets attributed to:

Benefits paid to participants	1,012,316
Administrative expenses	<u>34,844</u>
Total Deductions	<u>1,047,160</u>

Net increase in net assets available for benefits	2,051,634
Net assets available for benefits, beginning of year	<u>11,498,239</u>
Net assets available for benefits, end of year	<u><u>\$ 13,549,873</u></u>

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

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1—Description of the Plan

The following description of the CareerSource Central Florida (formerly known as Workforce Central Florida) 403(b) Plan (the "Plan") provides only general information. Participants should refer to the Plan Agreement for a more comprehensive description of the Plan's provisions.

General – The Plan is a 403(b) defined contribution plan covering all eligible employees of CareerSource Central Florida (the "Company" or "Employer") as defined in the Plan document. The Plan has an effective date of October 1, 1999. Employees are automatically enrolled in the Plan once eligible with a deferral rate of 4% of compensation. Deferral contributions for each active participant having automatic enrollment contributions are increased annually by 1%, up to a maximum of 8% of compensation. The increase is every January 1. The automatic elective deferral contributions shall apply to participants at the time they enter or reenter the Plan and shall also apply to active participants that are deferring less than 8% or who are not deferring. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan was restated effective August 21, 2021.

Eligibility – All employees are eligible to participate in the Plan with the exception of employees who normally work less than 20 hours per week and employees who are enrolled as students and regularly attend classes offered by the Employer. Eligible employees can make elective deferrals beginning on their date of hire and can receive Employer contributions after the employee has completed six months of service and upon attaining the age of 21 years.

Contributions – Under the Plan, eligible participants may elect to contribute up to 100% of their compensation for the year, not to exceed the Internal Revenue Service ("IRS") limitation of \$23,500 for the Plan year ended June 30, 2025. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Company provides matching contributions equal to 100% of a participant's elective deferrals not to exceed 8% of the participant's compensation. The Company may make discretionary contributions as well, not to exceed the maximum amount that may contributed under the law.

Catch-Up Contributions – For the year ended June 30, 2025, if a participant is eligible to make contributions and reaches age 50 before the end of the calendar year, the participant may contribute an additional \$7,500 into the Plan as a pre-tax contribution subject to certain IRC limitations. Catch-up contributions are not eligible for matching contributions made by the Company.

Participant Accounts – Each participant's account is credited with the employee contributions, the Company's contributions, Plan earnings (loss), and an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. Participants may direct the investment of their account balances into various funds offered by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting – Employee contributions and rollover contributions are immediately vested. Employer contributions vest according to the following schedule, with a year of service defined as a one-year period ending on June 30 in which the participant has 1,000 or more hours of service:

Years of Service	Vested Percentage
Less than 1 year	0%
1 year	25%
2 years	50%
3 years	100%

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1—Description of the Plan (continued)

Benefits Paid to Participants – A participant may withdraw any part of his or her vested account resulting from voluntary contributions or rollover contributions at any time. A participant may withdraw any part of his or her vested account resulting from elective deferral contributions, matching contributions, qualified non-elective contributions, additional contributions, and discretionary contributions any time after he or she attains age 59½. Age 59½ withdrawals may be made once annually in any 12-month period. Withdrawals may be a single lump-sum distribution or annual installments.

Notes Receivable from Participants – Participants are permitted to take loans from the Plan from a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Participants are allowed no more than one outstanding loan at a time. The loan is secured by the balance in the participant's account and bears interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Interest rates ranged from 4.25% to 9.50% as of June 30, 2025. Principal and interest is paid ratably through monthly payroll deductions. Notes receivable outstanding under the Plan were \$222,771 and \$183,215 as of June 30, 2025 and 2024, respectively. The maximum term of any loan may not exceed five years, unless it is for the purpose of buying, building or substantially rehabilitating a primary residence.

Plan Expenses – The Plan permits the payment of Plan expenses to be made from the Plan's assets. If the Company does not pay the Plan expenses from its own assets, then the expenses will be paid using the Plan's assets and will generally be allocated among the accounts of all participants in the Plan. Investment fees are allocated to participants in proportion to the amount of their account balance. Participant fees are charged directly to the accounts of the participants who incur those fees.

Note 2—Summary of significant accounting policies

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

Risks and Uncertainties – Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with credit investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Notes Receivable from Participants – Notes receivable from participants are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participants' account balances. Delinquent notes receivable from participants are recorded as deemed distributions based on terms of the Plan document.

Investment Options – Participants may direct 100% of their allocation of contributions with the Principal Trust Company ("Principal") or the Equitable Financial Life Insurance Company ("Equitable"), the "Qualified Institutions" of the Plan. Within Principal and Equitable, participants may select between a number of investment options.

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 2—Summary of significant accounting policies (continued)

Investment Recognition – Investments are reported at fair value, except for fully benefit-responsive investments, which are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Fair value determinations are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

Three levels of inputs may be used to measure fair value:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 – Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date; and

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability, including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following are descriptions of the valuation methodologies used for instruments measured at fair value:

Mutual Funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. NAV is a quoted price in an active market and classified within Level 1 of the valuation hierarchy.

Mutual Funds, Index Funds, and Variable Annuity Balanced Mutual Funds in Pooled Separate Accounts – These assets are not available in an exchange or an active market; however, as a practical expedient, the fair value is determined based on NAV of the underlying assets as traded in an exchange or active market. Pooled separate accounts using NAV as a practical expedient have not been classified under the fair value hierarchy.

Guaranteed Investment Contracts (Non-Fully Benefit-Responsive Portion) – These investments are guaranteed fixed income annuities backed by Equitable claims paying ability whereby the annuities guarantee principal and a minimum interest rate. The non-fully benefit-responsive portion of these contracts provides an opportunity for additional amounts in excess of the guaranteed rate and is reported at fair value, classified within Level 3 of the valuation hierarchy. See Note 5 for further details.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 2—Summary of significant accounting policies (continued)

Payment of Benefits – Benefits paid to participants are recorded when paid.

Deemed Loan Distributions – Deemed loan distributions are recorded when the participant defaults on the loan.

Forfeitures – As of June 30, 2025 and 2024, there were \$55,741 and \$44,723, respectively, in forfeited nonvested accounts. These accounts may be used to reduce future Employer contributions or to pay administrative expenses.

Administrative Expenses – Plan administrative expenses are paid out of Plan assets, unless otherwise stated.

Note 3—Fair value measurement

Below are the Plan's financial instruments carried at fair value on a recurring basis by the fair value hierarchy levels as of June 30:

	2025				
	Level 1	Level 2	Level 3	Other ^(a)	Total Fair Value
Mutual funds	\$ 12,041,749	\$ -	\$ -	\$ -	\$ 12,041,749
Pooled separate accounts	-	-	-	388,091	388,091
Guaranteed investment contracts	-	-	65,254	-	65,254
Total investments at fair value	<u>\$ 12,041,749</u>	<u>\$ -</u>	<u>\$ 65,254</u>	<u>\$ 388,091</u>	<u>\$ 12,495,094</u>
	2024				
	Level 1	Level 2	Level 3	Other ^(a)	Total Fair Value
Mutual funds	\$ 10,261,850	\$ -	\$ -	\$ -	\$ 10,261,850
Pooled separate accounts	-	-	-	358,918	358,918
Guaranteed investment contracts	-	-	63,622	-	63,622
Total investments at fair value	<u>\$ 10,261,850</u>	<u>\$ -</u>	<u>\$ 63,622</u>	<u>\$ 358,918</u>	<u>\$ 10,684,390</u>

^(a) In accordance with U.S. GAAP, certain investments that are measured at fair value using NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 3—Fair value measurement (continued)

The following tables summarize certain information about investments measured at fair value based on NAV per share, which are not readily determinable, as of June 30:

2025				
Asset	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled separate accounts	\$ 388,091	n/a	Daily	30 days

2024				
Asset	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled separate accounts	\$ 358,918	n/a	Daily	30 days

There were no transfers into and out of purchases, and issues of Level 3 investments for the year ended June 30, 2025.

The following tables summarize investments for which fair value is shown under Level 3 hierarchy as of June 30:

2025				
Asset	Fair Value	Valuation Technique	Unobservable Inputs	Rate (weighted average)
Guaranteed investment contracts	\$ 65,254	Discounted cash flow	Risk - adjusted discount rate applied	1.00% - 3.00%

2024				
Asset	Fair Value	Valuation Technique	Unobservable Inputs	Rate (weighted average)
Guaranteed investment contracts	\$ 63,622	Discounted cash flow	Risk - adjusted discount rate applied	1.00% - 3.00%

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 4—Information certified by the qualified institutions (unaudited)

The Plan has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Principal or Equitable, the Qualified Institutions, have certified to the completeness and accuracy of the following data included in the accompanying financial statements and supplemental schedules:

- Investments, at fair value, fully benefit-responsive investment contracts, at contract value, and notes receivable from participants as shown in the statements of net assets available for benefits as of June 30, 2025 and 2024.
- Net appreciation in fair value and contract value of investments, interest and dividends, other income, and interest income on notes receivable from participants as shown in the statement of changes in net assets available for benefits for the year ended June 30, 2025.
- Schedule of Assets (Held at End of Year) – Form 5500, Schedule H, Part IV, Line 4i as of June 30, 2025.

The Plan's independent auditor did not perform auditing procedures with respect to the certified information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

Note 5—Guaranteed investment contracts with insurance companies

Principal – The Plan invests in a guaranteed fixed annuity contract with Principal. Principal maintains the contributions in the Principal General Account. Principal groups the premium dollars it receives over defined time periods into vintages, typically composed of one or more contiguous calendar months, for the purpose of determining the crediting rate to participant's accounts. The crediting rate for each vintage is determined, in part, by the net investment earnings rate of the principal assets supporting that vintage, minus a charge for administrative expenses, and an amount set aside for contingency reserves. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Because the guaranteed investment contract with Principal is fully benefit-responsive, contract value is the relevant measurement attribute for the net assets available for benefits attributable to this guaranteed investment contract. The fully benefit-responsive investment contract included in the financial statements at contract value as reported to the Plan by Principal (\$832,008 and \$631,255 at June 30, 2025 and 2024, respectively, unaudited).

The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting interest rate is based on a formula agreed upon with the issuer. The interest rate credited to participants of the investment contracts for the Plan was 1.65% for the year ended June 30, 2025.

Certain events limit the Plan's ability to transact at contract value with Principal. Such events include the following: (a) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (b) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under the ERISA. The Plan administrator does not believe any events that would limit the Plan's ability to transact at contract value with Plan participants are probable of occurring.

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 5—Guaranteed investment contracts with insurance companies (continued)

The guaranteed investment contract does not permit Principal to terminate the agreement prior to the scheduled maturity date.

Equitable – The Plan invests in guaranteed interest investments with Equitable. Each participant's account is credited with the participant's contribution, an allocation of the Employer's contribution and Plan earnings, and is charged for Plan withdrawals.

As described in Note 2, the guaranteed investment contract with Equitable is not fully benefit-responsive; accordingly, fair value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. The fair value of the investment contracts at June 30, 2025 and 2024 was \$65,254 and \$63,622, respectively, (unaudited).

Certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. The contracts may be terminated by the Plan sponsor by providing notice of termination. Employer directed withdrawals, including termination, may be subject to a surrender charge, as outlined in the agreement. No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers and that also would limit the ability of the plan to transact at contract value with the participants.

Note 6—Party-in-interest transactions

Plan investments are held and managed by the Qualified Institutions and qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA. Notes receivable from participants also qualify as party-in-interest transactions.

Fees paid by the Plan for the investment management services of Principal and Equitable amounted to \$34,844 for the year ended June 30, 2025, and are recorded in administrative expenses.

Note 7—Plan termination

The Company believes the Plan will continue without interruption but reserves the right to discontinue the Plan. In the event such discontinuance results in termination of the Plan, the Plan provides the assets be allocated among the participants and beneficiaries in the amounts credited to each participant's respective account at the effective date of such termination. Distribution of participant account balances will occur as soon as administratively feasible upon termination of the Plan.

Note 8—Tax status

The Internal Revenue Service has determined and informed the Plan prototype sponsor by a letter dated March 31, 2017, that the Plan and related trust are designed in accordance with the applicable sections of the IRC. The Company has chosen to rely on the determination letter issued to the Plan prototype sponsor. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and has no income subject to unrelated business income tax and, therefore, the Plan and related trust continue to be tax-exempt.

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 8—Tax status (continued)

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has analyzed the tax positions taken by the Plan, and has concluded that as of June 30, 2025 and 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 9—Nonexempt transactions

During 2025, employee withholdings totaling \$1,171 were not remitted to the Plan within the appropriate time period by the Plan administrator. This transaction constituted a prohibited transaction as defined by ERISA. The Plan administrator remitted all of the employee withholdings that were not remitted within the appropriate time period during the Plan year.

Note 10—Subsequent events

The Plan has evaluated subsequent events through **Month XX, 2026** in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULES

CAREERSOURCE CENTRAL FLORIDA**403(b) PLAN****SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**

FORM 5500, SCHEDULE H, PART IV, LINE 4a

EIN: 59-3396497, PLAN NUMBER: 001

FOR THE YEAR ENDED JUNE 30, 2025

Year	Contributions Transferred Late to the Plan	Total That Constitutes Nonexempt Prohibitive Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
		Contributions Not Corrected	Contributions Corrected Outside of VFCP	Contributions Pending Correction in VFCP	
2025	\$ 2,271	\$ -	\$ -	\$ -	\$ 2,271

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
FORM 5500, SCHEDULE H, PART IV, LINE 4i
EIN: 59-3396497, PLAN NUMBER: 001

JUNE 30, 2025

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value
Guaranteed Investment Contracts:			
*	Principal	Principal Life Insurance Company Fixed Income Guaranteed Option	\$ 832,008
*	Equitable	AXA Equitable Life Insurance Company Fixed Income Guaranteed Option	65,254
Total Guaranteed Investment Contracts			897,262
Mutual Funds:			
*	Principal	American Century One Choice 2030 Portfolio R6 Fund	1,548,360
*	Principal	American Century One Choice 2035 Portfolio R6 Fund	1,878,410
*	Principal	American Century One Choice 2040 Portfolio R6 Fund	1,886,651
*	Principal	American Century One Choice 2045 Portfolio R6 Fund	1,764,075
*	Principal	American Century One Choice 2050 Portfolio R6 Fund	735,470
*	Principal	American Century One Choice 2055 Portfolio R6 Fund	540,803
*	Principal	American Century One Choice 2060 Portfolio R6 Fund	147,461
*	Principal	American Century One Choice 2065 Portfolio R6 Fund	89,050
*	Principal	American Century Mid-Cap Value R6 Fund	15,761
*	Principal	American Century One Choice In Retirement Portfolio R6 Fund	2,346,813
*	Principal	AB Large Cap Growth Z Fund	191,576
*	Principal	BlackRock Total Return K Fund	115,698
*	Principal	BlackRock Mid-Cap Growth Equity K Fund	77,751
*	Principal	Janus Henderson Triton N Fund	11,414
*	Principal	MFS International Diversification R6 Fund	16,051
*	Principal	Macquarie Small Cap Value R6 Fund	5,115
*	Principal	Putnam Large Cap Value R6 Fund	23,966
*	Principal	Principal MidCap S&P 400 Index R6 Fund	36,169
*	Principal	Principal Real Estate Securities R6 Fund	59,386
*	Principal	Principal SmallCap S&P 600 Index R6 Fund	32,651
*	Principal	Principal LargeCap S&P 500 Index Inst Fund	519,118
Total Mutual Funds			12,041,749

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN
SCHEDULE OF ASSETS (HELD AT END OF YEAR) (CONTINUED)

FORM 5500, SCHEDULE H, PART IV, LINE 4i

EIN: 59-3396497, PLAN NUMBER: 001

JUNE 30, 2025

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value
Pooled Separate Accounts:			
*	Equitable	AXA Moderate-Plus Allocation	\$ 143,021
*	Equitable	EQ/Money Market	29
*	Equitable	EQ/Aggressive Growth Strategy	11,930
*	Equitable	AXA Conserv-Plus Allocation	19,280
*	Equitable	AXA Moderate Allocation	99,204
*	Equitable	AXA Aggressive Allocation	6,060
*	Equitable	AXA Lg Cap Grw Managed Vol	5,441
*	Equitable	AXA Lg Cap Core Managed Vol	519
*	Equitable	AXA Lg Cap Val Managed Vol	4,458
*	Equitable	EQ/Janus Enterprise	680
*	Equitable	AXA Int Core Managed Vol	8,168
*	Equitable	AXA Int Val Managed Vol	715
*	Equitable	AXA Glb Eqty Managed Vol	3,999
*	Equitable	EQ/American Centry Mid Cap Val	379
*	Equitable	EQ/Common Stock Index	25,769
*	Equitable	Multimanager Aggressive Equity	49
*	Equitable	EQ/Mid Cap Index	11,082
*	Equitable	AXA Mid Cap Val Managed Vol	1,704
*	Equitable	EQ/Equity 500 Index	24,271
*	Equitable	EQ/Small Company Index	8,732
*	Equitable	EQ/Boston Advisors Eqty Income	2,157
*	Equitable	EQ/Gamco Mergers & Acquisition	2,688
*	Equitable	1290 VT Convertible Securities	2,310
*	Equitable	EQ/BlackRock Basic Value Eqty	2,531
*	Equitable	EQ/International Equity Index	886
*	Equitable	AXA/AB Small Cap Growth	1,119
*	Equitable	AXA/Horizon Small Cap Value	910
Total Pooled Separate Accounts			388,091
Notes Receivables from Participants:			
*	Plan participants	Notes receivable from participants (interest rates 4.25% to 9.50%, maturing no later than August 2039), secured by participant accounts.	222,771
Total Assets (Held at Year End)			\$ 13,549,873

* An asterisk in column (a) denotes a party-in-interest to the Plan.
Column (d) has not been presented as it is not required for participant directed accounts.