

**AGENDA
CAREER SOURCE ESCAROSA
BOARD OF DIRECTORS
THURSDAY, APRIL 16, 2026
3:30 P.M.**

**LOCATION: 6913 N. 9TH Avenue | Pensacola, FL 32504
CALL IN: 1-888-585-9008 | CONF ID: 819 873 686**

- I. Call Meeting to Order** Lloyd Reshard, Chair
- II. Call for Public Comment**
- III. Reading of Public Disclosures**Janay Sims
- IV. Approval of Agenda**
- V. Internal Audit Report**..... James Moore & Co., P.L.
- VI. Consent Agenda**
 - Minutes – January 15, 2026
February 17, 2026 (Special Meeting)
- VII. Items for Consideration**
 - Financial Expenditure and Budget Variances Reports
 - Annual Review – CSE By-Laws
 - Contract Renewals – WIOA Youth Services
 - Organizational Chart Review Structure
 - a. WIOA Transformation
 - b. Department Realignment
 - c. Job Descriptions | Title Change
- Information Items**
 - Board Governance: Attendance and Vacancies
 - Chief Executive Officer’s Report
 - CSE Meeting Schedule for PY 2026-2027
- VIII. Ratify – Action Taken**

CSE’s Request for Subsequent Local Workforce Development Area Designation
- IX. Other Business**
- X. Adjournment**

NEXT BOARD MEETING – JULY 15, 2026 | LOCATION: TBD

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA**

FINANCIAL STATEMENTS

JUNE 30, 2025

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Workforce Escarosa, Inc.
d/b/a CareerSource Escarosa:

Report on the Audit of Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of CareerSource Escarosa, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

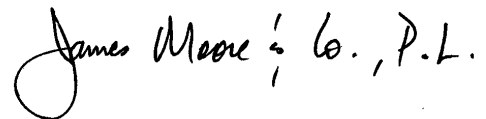
Supplementary Information

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

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025, on our consideration of CareerSource Escarosa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CareerSource Escarosa's internal control over financial reporting and compliance.

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

Daytona Beach, Florida
December 9, 2025

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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

Overview of Financial Statements

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

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

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

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

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

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

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

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025
(Continued)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

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

Condensed Statements of Net Position

| | 2025 | 2024 |
|----------------------------------|--------------|-------------|
| Current assets | \$ 588,501 | \$ 568,819 |
| Capital assets, net | 3,799,922 | 4,180,717 |
| Total assets | 4,388,423 | 4,749,536 |
| | | |
| Current liabilities | 616,041 | 637,709 |
| Noncurrent liabilities | 3,882,953 | 4,122,290 |
| Total liabilities | 4,498,994 | 4,759,999 |
| | | |
| Unrestricted | 126,023 | 115,251 |
| Net investment in capital assets | (236,594) | (125,714) |
| Net position (deficit) | \$ (110,571) | \$ (10,463) |

Condensed Statements of Activities

| | 2025 | 2024 |
|---|--------------|--------------|
| Program Revenues | | |
| Operating grants and contributions | \$ 4,851,234 | \$ 5,016,681 |
| Total program revenues | 4,851,234 | 5,016,681 |
| | | |
| General Revenues | | |
| Other | 21,623 | 3,686 |
| Total revenues | 4,872,857 | 5,020,367 |
| | | |
| Expenses | | |
| Training, retraining, and adjustment | 4,972,965 | 5,092,844 |
| Change in net position | (100,108) | (72,477) |
| Net position (deficit), beginning of year | (10,463) | 62,014 |
| Net position (deficit), end of year | \$ (110,571) | \$ (10,463) |

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

In Program Year 2025, governmental activities generated \$4,872,857 in revenues and incurred \$4,972,965 of program expenses. This resulted in a \$100,108 decrease in net position. The decrease is due to the amortization of leases exceeding the principle payments on the related lease liabilities as well as other government-wide accruals not present in the governmental funds.

In Program Year 2024, governmental activities generated \$5,020,367 in revenues and incurred \$5,092,844 of program expenses. This resulted in a \$72,477 decrease in net position. The decrease is due to the amortization of leases exceeding the principle payments on the related lease liabilities as well as other government-wide accruals not present in the governmental funds.

CAREERSOURCE ESCAROSA'S INDIVIDUAL FUND

General Fund

The General Fund receives its funding under cash advance and cost reimbursement contracts. If at the end of the fiscal year, an advance is not sufficient to cover applicable expenditures, a receivable is created. If an advance is in excess of applicable expenditures, a refundable advance is reported. Consequently, revenues will generally equal expenditures with a small profit due to charges for services not funded by grants.

The \$8,404 increase in fund balance for Program Year 2025 was a result of revenues generated by CareerSource Escarosa's charges for services and nonfederal funding Programs being more than related expenditures.

The \$1,410 decrease in fund balance for Program Year 2024 was a result of revenues generated by CareerSource Escarosa's charges for services and nonfederal funding Programs being less than related expenditures.

Financial Highlights

The liabilities of CareerSource Escarosa exceeded its assets at June 30, 2025, by \$110,571.

Governmental activities. Governmental activities decreased CareerSource Escarosa's net position by \$100,108. Key elements of this decrease are as follows:

The net loss for the year ending June 30, 2025, is due to the amortization of leases exceeding the principle payments on the related lease liabilities as well as other government-wide accruals not present in the governmental funds.

Capital Assets

Excluding right-to-use assets for leases, CareerSource Escarosa experienced a decrease in capital assets. Decreases in capital assets during the year ended June 30, 2025, were related to the depreciation of capital assets in the amount of \$50,368. CareerSource Escarosa had right-to-use assets for leases in the amount of \$3,717,778 net of accumulated amortization and lease liabilities in the amount of \$4,036,516 as of June 30, 2025.

Budgetary Highlights

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

Economic Factors

99.6% of the CareerSource Escarosa's revenues were generated from federal grants, most of which were passed through the State of Florida's Department of Commerce. Anything that could influence federal and state appropriations of these funds will have a direct impact on CareerSource Escarosa.

Debt Administration

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

Request for Information

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

Workforce Escarosa, Inc.
d/b/a CareerSource Escarosa
6913 N. 9th Avenue
Pensacola, Florida 32504

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
STATEMENT OF NET POSITION
JUNE 30, 2025**

| <u>ASSETS</u> | <u>Governmental Activities</u> |
|--|------------------------------------|
| Current assets | |
| Cash and cash equivalents | \$ 331,054 |
| Grant, contract and other receivables | 192,555 |
| Prepaid items | 64,892 |
| Total current assets | <u>588,501</u> |
| Non-current assets | |
| Capital assets, net of accumulated depreciation and amortization | 3,799,922 |
| Total Assets | <u><u>\$ 4,388,423</u></u> |
| <u>LIABILITIES AND NET POSITION (DEFICIT)</u> | |
| Current liabilities | |
| Accounts payable and accrued expenses | \$ 337,204 |
| Interest payable | 18,501 |
| Unearned revenue | 39,226 |
| Compensated absences, current portion | 24,555 |
| Lease liability, current portion | 196,555 |
| Total current liabilities | <u>616,041</u> |
| Non-current liabilities | |
| Compensated absences, noncurrent portion | 42,992 |
| Lease liability, noncurrent portion | 3,839,961 |
| Total noncurrent liabilities | <u>3,882,953</u> |
| Total Liabilities | <u>\$ 4,498,994</u> |
| Net Position (Deficit) | |
| Net investment in capital assets | \$ (236,594) |
| Unrestricted | 126,023 |
| Total Net Position (Deficit) | <u><u>\$ (110,571)</u></u> |

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

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

| | | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|---------------------------------------|-------------------------|--|----------------------------|--|
| Expenses | Charges for Services | Operating Grants and Contributions | Governmental Activities | |
| <u>Functions and Programs</u> | | | | |
| Governmental activities: | | | | |
| Training, retraining and readjustment | \$ 4,972,965 | \$ - | \$ 4,851,234 | \$ (121,731) |
| Total governmental activities | \$ 4,972,965 | \$ - | \$ 4,851,234 | (121,731) |
| | | General revenues: | | |
| | | Other | | 21,623 |
| | | Change in net position | | (100,108) |
| | | Net position (deficit), beginning of year | | (10,463) |
| | | Net position (deficit), end of year | | \$ (110,571) |

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

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2025**

| | General Fund |
|---|---------------------|
| Assets | |
| Cash and cash equivalents | \$ 331,054 |
| Grant, contract and other receivables | 192,555 |
| Prepaid items | 64,892 |
| Total Assets | \$ 588,501 |
| Liabilities | |
| Accounts payable and accrued expenses | \$ 337,204 |
| Unearned revenue | 39,226 |
| Total liabilities | 376,430 |
| Fund Balance | |
| Nonspendable for prepaid items | 64,892 |
| Unassigned | 147,179 |
| Total fund balance | 212,071 |
| Total Liabilities and Fund Balance | \$ 588,501 |

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

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

| | | |
|---|--------------------|----------------------------|
| Fund balances - total governmental fund | | \$ 212,071 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | |
| Total governmental capital assets | 5,172,374 | |
| Less: accumulated depreciation and amortization | <u>(1,372,452)</u> | 3,799,922 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| Interest payable | (18,501) | |
| Compensated absences | (67,547) | |
| Lease liability | <u>(4,036,516)</u> | (4,122,564) |
| Net position (deficit) of governmental activities | | <u><u>\$ (110,571)</u></u> |

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

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

| | General Fund |
|--|---------------------|
| Revenues | |
| Grants and contracts | \$ 4,851,234 |
| Other | 21,623 |
| Total revenues | 4,872,857 |
| Expenditures | |
| Personnel and benefits | 2,209,309 |
| Advertising and marketing | 12,537 |
| Communications, systems and utilities | 70,074 |
| Printing and supplies | 21,539 |
| Direct program | 1,538,212 |
| Insurance | 41,887 |
| Professional fees | 58,092 |
| Noncapital furniture and equipment | 41,284 |
| Repairs and maintenance | 215,072 |
| Other | 216,837 |
| Debt service: | |
| Principal | 191,541 |
| Interest | 248,069 |
| Total expenditures | 4,864,453 |
| Excess (deficiency) of revenues over expenditures | 8,404 |
| Fund balance, beginning of year, | 203,667 |
| Fund balance, end of year | \$ 212,071 |

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

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

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

| | | |
|---|----|-----------|
| Net change in fund balances-total governmental funds | \$ | 8,404 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | |
| Changes in: | | |
| Compensated absences | | (18,324) |
| Interest payable | | 20,692 |
| | | 2,368 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount of capital outlay and depreciation and amortization expense in the current period. | | |
| Depreciation | | (50,368) |
| Amortization | | (252,053) |
| | | (302,421) |
| The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. | | |
| Long-term lease liability - principal paid | | 191,541 |
| Change in net position of governmental activities | \$ | (100,108) |

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

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

The following is a summary of the more significant accounting policies of Workforce Escarosa, Inc. d/b/a CareerSource Escarosa (“CareerSource Escarosa”), which affect significant elements of the accompanying basic financial statements:

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

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

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

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

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

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

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

(c) **Measurement focus and basis of accounting**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, CareerSource Escarosa considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

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

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

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

(h) **Capital assets**— Capital assets are defined by CareerSource Escarosa as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of the donation. The Federal Government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year. Depreciation of capital assets is computed using the straight-line method over estimated useful lives as follows:

| Assets | Years |
|------------------------|-------|
| Leasehold improvements | 30 |
| Equipment | 5–10 |
| Vehicles | 5 |

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

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

Discount Rate – Unless explicitly stated in the lease agreement or CareerSource Escarosa is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities will be CareerSource Escarosa’s incremental borrowing rate (IBR), which will be the rate utilized for the subsequent fiscal year. CareerSource Escarosa’s IBR was 5.50% at June 30, 2021, and was the discount rate utilized for applicable leases beginning July 1, 2021, and applicable lease conversions.

The CareerSource Escarosa’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

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

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

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

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

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

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

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

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

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

Unassigned—All amounts not included in other spendable classifications.

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

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

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

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

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

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

(3) **Capital Assets:**

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

| Governmental activities: | Balance | | | Balance |
|---|---------------------|---------------------|--------------------|---------------------|
| | 07/01/24 | Increases | Decreases | 06/30/25 |
| Capital assets being depreciated/amortized: | | | | |
| Equipment and vehicles | \$ 446,385 | \$ - | \$ - | \$ 446,385 |
| Right-to-use leased assets | 4,838,848 | - | (112,859) | 4,725,989 |
| Total assets being depreciated/amortized | <u>5,285,233</u> | <u>-</u> | <u>(112,859)</u> | <u>5,172,374</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Equipment and vehicles | (313,873) | (50,368) | - | (364,241) |
| Right-to-use leased assets | (790,643) | (252,053) | 34,485 | (1,008,211) |
| Less: accumulated depreciation/amortization | <u>(1,104,516)</u> | <u>(302,421)</u> | <u>34,485</u> | <u>(1,372,452)</u> |
| Total capital assets being depreciated/amortized, net | <u>4,180,717</u> | <u>(302,421)</u> | <u>(78,374)</u> | <u>3,799,922</u> |
| Governmental activities capital assets, net | <u>\$ 4,180,717</u> | <u>\$ (302,421)</u> | <u>\$ (78,374)</u> | <u>\$ 3,799,922</u> |

Depreciation expense was \$50,368 and amortization expense was \$252,053 the year ended June 30, 2025.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(4) **Leases:**

CareerSource Escarosa has leases in effect for buildings with terms ending from 2026 through 2040. The buildings are considered a right-to-use assets of CareerSource Escarosa. For disclosure purposes, this lease excludes ancillary costs included in the lease, such as utilities. The IBR interest rate on leases is 5.50%.

The amortization expense for right-to-use leased assets was \$252,053 and the interest expense for lease liabilities was \$248,069 for the year ended June 30, 2025. Of that interest expense, \$20,693 is variable lease interest expense.

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

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------------|---------------------|---------------------|---------------------|
| 2026 | \$ 196,555 | \$ 198,762 | \$ 395,317 |
| 2027 | 140,306 | 225,880 | 366,186 |
| 2028 | 178,078 | 199,094 | 377,172 |
| 2029 | 199,726 | 188,761 | 388,487 |
| 2030 | 214,963 | 177,235 | 392,198 |
| 2031 – 2035 | 1,319,664 | 690,028 | 2,009,692 |
| 2036 – 2040 | 1,787,224 | 253,765 | 2,040,989 |
| Total future minimum lease payments | <u>\$ 4,036,516</u> | <u>\$ 1,933,525</u> | <u>\$ 5,970,041</u> |

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

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

| | <u>Balance</u> | | <u>Balance</u> | <u>Due in</u> |
|--------------------------------|---------------------|------------------|---------------------|-------------------|
| | <u>07/01/24</u> | <u>Additions</u> | <u>06/30/25</u> | <u>one year</u> |
| Governmental activities | | | | |
| Lease liability | \$ 4,306,431 | \$ - | \$ 4,036,516 | \$ 196,555 |
| Compensated absences | 49,223 | 18,324 | 67,547 | 24,555 |
| Total Long-term liabilities | <u>\$ 4,355,654</u> | <u>\$ 18,324</u> | <u>\$ 4,104,063</u> | <u>\$ 221,110</u> |

(6) **Retirement Plan:**

CareerSource Escarosa sponsors a defined contribution 401(k) profit sharing plan which covers substantially all employees. The amount of retirement expense for the year ended June 30, 2025, was \$48,221.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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

(a) **Cash and cash equivalents**—As of June 30, 2025, CareerSource Escarosa had demand deposits with one financial institution of \$430,212. CareerSource Escarosa has no policy requiring collateral or other security to support its deposits, although all demand deposits with banks are federally insured up to FDIC limitations. The demand deposits with the financial institutions are insured up to \$250,000. At June 30, 2025, CareerSource Escarosa had \$180,212 in excess of FDIC coverage.

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

(c) **Significant funding source**—During the years ended June 30, 2025, CareerSource Escarosa received approximately 99.6% of its funding from the United States Department of Labor, the United States Department of Health and Human Services, and the United States Department of Agriculture, passed through the Department of Commerce. The organization’s operations are entirely dependent on this funding, which represents its sole purpose. If a significant reduction or loss of this funding were to occur, it would have a substantial adverse effect on CareerSource Escarosa’s programs and activities. There are no alternative funding sources or mitigating actions available to offset such a reduction, as the organization’s mission and activities are wholly reliant on these federal funds.

(8) Contingencies and Uncertainties:

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

(9) Related Parties:

The Board of Directors includes representation of both the private and public service industries as required by Florida Statutes. The Board had transactions with entities with which certain board members are associated for the purpose of providing training services to participants and temporary labor. During the year ended June 30, 2025, total payments to these entities were \$365,867. At June 30, 2025, \$23,679 were payable to these entities. The transactions were approved and authorized in accordance with CareerSource Escarosa’s purchasing policies and procedures.

(10) Risk Management:

CareerSource Escarosa is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which CareerSource Escarosa carries commercial insurance.

WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(11) Recent Accounting Pronouncements:

(a) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences, which include leave for vacation, holidays, sick time, or other paid time off. The Statement establishes a unified model for recognizing a compensated absence liability when leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or paid to the employee. This guidance replaces prior provisions under GASB Statement No. 16. CareerSource Escarosa implemented this Statement and its various provisions during the year ended June 30, 2025, with an effective date of reporting periods beginning after December 15, 2023. The implementation of the Statement did not have a material effect on CareerSource Escarosa.

(b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024. CareerSource Escarosa implemented this Statement and its various provisions during the year ended June 30, 2025, and did not have an effect on CareerSource Escarosa.

(c) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an entity's accountability. The provisions in GASB 103 are effective for fiscal years beginning after June 15, 2025.

(d) GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB 104 requires governments to provide detailed information about certain types of capital assets, including lease assets, intangible right-to-use assets, and subscription assets, in the notes to financial statements. The provisions for GASB 104 are effective for fiscal years beginning after June 15, 2025.

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

| Federal Grantor/Pass-Through Entity/ Federal Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identification Number | Federal Expenditures | Amount to Subrecipients |
|--|--|--|-------------------------|----------------------------|
| Department of Health and Human Services | | | | |
| Passed through Florida Department of Commerce: | | | | |
| Temporary Assistance to Needy Families | 93.558 | WTS24 | \$ 379,000 | \$ - |
| Temporary Assistance to Needy Families | 93.558 | WTS25 | 660,347 | - |
| | | | 1,039,347 | - |
| Total Department of Health and Human Services | | | 1,039,347 | - |
| Department of Labor | | | | |
| Passed through Florida Department of Commerce: | | | | |
| Employment Service/Wagner-Peyser Funded Activities | 17.207 | WPA24 | 33,575 | - |
| Employment Service/Wagner-Peyser Funded Activities | 17.207 | WPB25 | 126,401 | - |
| Employment Service/Wagner-Peyser Funded Activities | 17.207 | WPB24 | 72,298 | - |
| Employment Service/Wagner-Peyser Funded Activities | 17.207 | WPB25 | 68,327 | - |
| Employment Service/Wagner-Peyser Funded Activities | 17.207 | WPA25 | 238,681 | - |
| Local Veterans' Employment Representatives (LVER) | 17.801 | LVR24 | 15,762 | - |
| Local Veterans' Employment Representatives (LVER) | 17.801 | LVR25 | 21,413 | - |
| Disable Veterans' Outreach Program (DVOP) | 17.801 | DVP24 | 22,582 | - |
| Disable Veterans' Outreach Program (DVOP) | 17.801 | DVP25 | 81,527 | - |
| Total Employment Service Cluster | | | 680,566 | - |
| Unemployment Insurance | 17.225 | UCR23 | 18,741 | - |
| Unemployment Insurance | 17.225 | UCR24 | 79,404 | - |
| Total Unemployment Insurance | | | 98,145 | - |
| WIOA - Adult | 17.258 | WIA24 | 294,880 | - |
| WIOA - Adult | 17.258 | WIA25 | 603,919 | - |
| WIOA - Adult | 17.258 | WIR24 | 7,375 | - |
| WIOA - Adult | 17.258 | WIR25 | 16,522 | - |
| WIOA - Adult | 17.258 | WIS25 | 42,380 | - |
| WIOA - Adult | 17.258 | WIS24 | 103,019 | - |
| WIOA - Youth | 17.259 | WIY24 | 472,065 | 416,675 |
| WIOA - Youth | 17.259 | WIY25 | 493,209 | 434,444 |
| WIOA - Youth | 17.259 | WIR24 | 7,144 | - |
| WIOA - Youth | 17.259 | WIR25 | 16,006 | - |
| WIOA - Youth | 17.259 | WIS25 | 41,055 | - |
| WIOA - Youth | 17.259 | WIS24 | 99,800 | - |
| WIOA - Dislocated Worker | 17.278 | WID25 | 49,203 | - |
| WIOA - Dislocated Worker | 17.278 | WID24 | 484,378 | - |
| WIOA - Dislocated Worker | 17.278 | WIR24 | 8,527 | - |
| WIOA - Dislocated Worker | 17.278 | WIR25 | 19,103 | - |
| WIOA - Dislocated Worker | 17.278 | WIS25 | 49,001 | - |
| WIOA - Dislocated Worker | 17.278 | WIS24 | 119,116 | - |
| Total WIOA Cluster | | | 2,926,702 | 851,119 |
| Trade Adjustment Assistance for Workers | 17.245 | TAT23 | 3,382 | - |
| Total Department of Labor | | | 3,708,795 | 851,119 |
| U.S. Department of Agriculture | | | | |
| Passed through Florida Department of Commerce: | | | | |
| Supplemental Nutrition Assistance Programs | 10.561 | FSH24 | 19,628 | - |
| Supplemental Nutrition Assistance Programs | 10.561 | FSH25 | 83,464 | - |
| Total SNAP Cluster | | | 103,092 | - |
| Total U.S. Department of Agriculture | | | 103,092 | - |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 4,851,234 | \$ 851,119 |

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

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal awards activity of Workforce Escarosa, Inc. d/b/a CareerSource Escarosa (“CareerSource Escarosa”) under programs of the federal government for the year ended June 30, 2025, in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CareerSource Escarosa it is not intended to and does not present the financial position, changes in net assets, or cash flows of CareerSource Escarosa.

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

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

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

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

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

To the Board of Directors,
Workforce Escarosa, Inc. d/b/a CareerSource Escarosa:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Workforce Escarosa, Inc. ("CareerSource Escarosa") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise CareerSource Escarosa's basic financial statements, and have issued our report thereon dated December 9, 2025.

Report on Internal Control over Financial Reporting

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

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

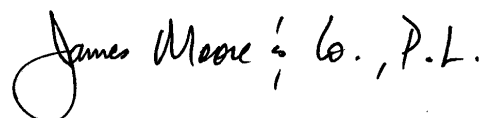
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

James Moore & Co., P.L.

Daytona Beach, Florida
December 9, 2025



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

To the Board of Directors,
Workforce Escarosa, Inc.
d/b/a CareerSource Escarosa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Workforce Escarosa, Inc. (“CareerSource Escarosa”)’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of CareerSource Escarosa’s major federal programs for the year ended June 30, 2025. CareerSource Escarosa’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of CareerSource Escarosa 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 CareerSource Escarosa’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CareerSource Escarosa's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* 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 CareerSource Escarosa's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and 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 CareerSource Escarosa'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 CareerSource Escarosa'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 CareerSource Escarosa's internal control over compliance. Accordingly, no such opinion is expressed.

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

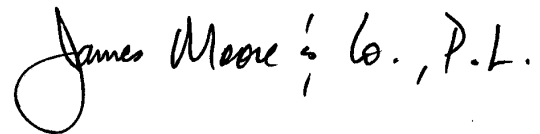
Report on Internal Control Over Compliance

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

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

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

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

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

Daytona Beach, Florida
December 9, 2025

**WORKFORCE ESCAROSA, INC.
D/B/A CAREERSOURCE ESCAROSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025**

I. Summary of Auditors' Results:

Financial Statements:

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

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards:

Internal control over major Federal programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

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

Identification of major Federal programs:

| ALN Number(s) | Program Name |
|---------------|----------------------------|
| 93.558 | Welfare Transition Program |

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

Auditee qualified as low-risk auditee? yes no

II. Financial Statement Findings: None.

III. Financial Statement Schedule of Prior Year Findings:

A. 2024-001 SERA Reporting Errors – this has been corrected in the current year. See Summary Schedule of Prior Audit Findings.

IV. Federal Awards Findings and Questioned Costs: None.

V. Federal Award Summary Schedule of Prior Year Findings: None.

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

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



Lloyd Reshard
Board Chair

Marcus L. McBride, PhD
Chief Executive Officer

Schedule of Prior Year Findings:

2024-001 SERA Reporting Errors

Corrective action taken. No repeat comment in current year.

6913 N. 9th Avenue
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CareerSource Escarosa

BOARD OF DIRECTORS JANUARY 15, 2026 MINUTES

Members Participating In-Person: Lloyd Reshard (Chair), Douglas Brown (Secretary/Treasurer), Michael Listau, and Robert “Chris” Plate’

Members Participating via virtual/teleconference: David Peaden, II (Member-at-Large), David Bouvin, Anthony Eman, Steven Harrell, James Howe, Leslie Moland, Bridgette Price, Brandi L. Boyer Rutherford, and Lisa Walsh

Members Not Participating: Jerry Kersey, Jr. (Vice Chair), Jameson Cutchens, and Michele Kelson

Ex-Officio Member Participating: Clara Long and Dixie Bond

Others Participating: Mariezel Halili, Bill Barron, Dr. Marcus McBride, and Janay Sims – CareerSource Escarosa

The Chair called the meeting to order at 3:30 p.m. at the Pensacola Career Center (6913 N. 9th Avenue, Pensacola, FL 32504).

CALL FOR PUBLIC COMMENT

There were no public comments.

READING OF PUBLIC DISCLOSURES

There were no public disclosures.

APPROVAL OF AGENDA

The agenda was made available to the board for review and approval.

Action Taken: Motion by Douglas Brown and seconded by Michael Listau to approve the agenda as presented. Motion carried. (13-Yeas/0-Nays)

CONSENT AGENDA:

MINUTES – OCTOBER 16, 2025

The CSE Board of Directors minutes for October 16, 2025, were made available to the board.

Action Taken: Motion by Douglas Brown and seconded by David Peaden, II to approve the minutes for October 16, 2025. Motion carried. (13-Yeas/0-Nays)

ITEMS FOR CONSIDERATION

FINANCIAL EXPENDITURE AND BUDGET VARIANCES REPORTS

Reports on summary of expenditures and budget/variances for the month ending November 2025 was made available to the board.

CareerSource Escarosa remains within the annual budget for each line-item expenditure except for the Summer Youth Employment Program.

As of November 2025, 32.80% of the annual budget has been spent, with 8.87% underspent.

The Budget Variance Report reflects the overall major factor driving the variance – unfilled positions for salaries, benefits, and employee costs.

CSE will be operating a new program, Non-Custodial Parent Employment Program, with grant funds of \$400,000.00.

The board received the report on Non-Federal Funds as of November 2025 made available to the board, as well as the November 2025 bank statement.

Action Taken: Motion by David Peaden and seconded by Douglas Brown to accept the Financial Expenditure and Budget Variances Reports for the month ending November 2025. Motion carried. (13 Yeas/0-Nays)

FY 2025-2026 BUDGET MODIFICATION #1

FY 2025-2026 Budget Modification #1 was made available to the board.

The modification reflects the true up from FY 2025-2026 Provisional Budget. CSE received a new grant from the State of Florida, Non-Custodial Parents Employment Program, in the amount of \$400,000.00, and it has been included in the budget modification, as well.

Action Taken: Motion by Douglas Brown and seconded by Michael Listau to accept FY 2025-2026 Budget Modification #1 as presented. Motion carried (13 Yeas/0 Nays)

CSE EQUIPMENT WRITE-OFF LIST

CSE Equipment Write-Off List was made available to the board.

It is formality of any equipment that CSE deems outdated or unused to record on its asset disposal list. The equipment is donated if approved by the board. All equipment is wiped out by the CSE's IT provider prior to the donation process.

Action Taken: Motion by Michael Listau and seconded the Chris Plate' to approve CSE's Equipment Write-Off List. Motion carried (13 Yeas/0 Nays)

APPLICATION – CSE ELIGIBLE TRAINING PROVIDER

Application for CSE's Eligible Training Provider List was made available to the board.

CSE received an application from Coding Clarified Academy for inclusion on the CSE Eligible Training provider List (ETPL). Coding Clarified Academy is a company out of Tallahassee, Florida that provides training for certified billing and coding Specialists. CSE has received their certificate of Liability Insurance with updated/renewed license to be provided.

Action Taken: Motion by Douglas Brown and seconded by Chris Plate' to approve the application from Coding Clarified Academy to be added to CSE's ETPL pending receipt of their update/renewed license. Motion carried (13 Yeas/0 Nays)

CAREERSOURCE FLORIDA NEW APPROVED POLICIES

The CareerSource Florida new approved policies were made available to the board.

CareerSource Florida is a statewide workforce policy and investment board charged with guiding workforce development for the state of Florida. CSF's approved policies are passed down to the state, and the state approves and mandates local workforce boards adherence to them. The state governs the 21 workforce boards.

CareerSource Florida approved the following new policies at its November 2025 board meeting:

- Workforce Policy 092 – Staff Training and Credential
- Workforce Policy 0124 – Statewide Standardization of Tools and Services
- Workforce Policy P95 – WIOA Youth Program Eligibility and Service Provider Selection
- Workforce Policy P111 – Services for Veterans, Members of the Military and Spouse

Action Taken: Motion by Michael Listau and seconded by Douglas Brown to adopt CSF's new approved policy #s 092 (Staff Training and Credential), 0124 (Statewide Standardization of Tools and Services), P95 (WIOA Youth Program Eligibility and Service Provider Selection), and P111 (Services for Veterans, Members of the Military and Spouse). Motion carried. (13 Yeas/0 Nays)

WAIVER OF WORKFORCE INNOVATION & OPPORTUNITY ACT ON-THE-JOB TRAINING REIMBURSEMENT LIMITS

FloridaCommerce Memorandum outlining Waiver of Workforce Innovation & Opportunity Act On-the-Job Training Reimbursements Limits was made available to the board.

The memo outlines requirement waived from the Workforce Innovation and Opportunity Act (WIOA) Section 134(c)(3)(H)(i) and 20 CFR 680.720(b) which states, "employers may be reimbursed up to 50 percent of the wage rate of an on-the-job training participant, and up to 75 percent using the criteria in §680.730, for the extraordinary costs of providing the training and additional supervision related to OJT."

Effective immediately for program years 2025 and 2026, local workforce development boards (LWDBs) may:

- Reimburse businesses of any size up to 90 percent.
- Reimburse businesses up to 100 percent for all businesses located in or employing current residents within designated Opportunity Zones.

It was noted that CSE is a little behind on OJT spending but is collaborating with its partners. The CSE business service manager is to make an announcement via publication of this opportunity.

CSE's program guidelines have been updated for inclusion of the waiver.

Action Taken: Motion by Douglas Brown and seconded by Chris Plate' to adopt the policy on Waiver of Workforce Innovation & Opportunity Act On-the-Job Training Reimbursement Limits. Motion carried. (13 Yeas/0 Nays)

INFORMATION ITEMS

CAREERSOURCE FLORIDA APPROVED SUNSET POLICIES

CareerSource Florida sunset policies were made available to the board.

The following CareerSource Florida Workforce Policies: P51 (Medical Incapacity), P71 (Final Guidance Food and Beverage for WIA Youth), P120 (Youth Service Provider Selection), P102 (Veteran Intake at Career Centers), P103 (Local Veteran Employment Representative (LVER) and Disabled Veteran Outreach (DVOP) Program, P112 (Staffing Requirements), P117 (Employment and Advocacy), P119 (Consolidated Position Operational Requirements), 2023.20.12.A.1 (Standardization of Tools and Services), and 2023.06.07.A.5 (Career Ladder Identifier and Financial Forecaster (CLIFF) Strategy) have been sunset.

BOARD GOVERNANCE: ATTENDANCE AND VACANCIES

Reports on board attendance and vacancies were made available to the board.

Welcomes were expressed to new members to the CSE Board of Directors – Dixie Bond (Ex-Officio for Santa Rosa County) and Robert “Chris” Plate’ (Business Sector/Escambia County).

It was report that the recommendation/appointment process is in progress for one of the required seats on the CSE board – Labor Union Organization representative. The requirement is for two seats.

The CSE board’s attendance sheet reflects meeting quorum requirements.

CHIEF EXECUTIVE OFFICER’S REPORT

Dr. McBride reported on:

- A good wrap-up for the month of December
- Hiring and recruiting
- The new manager for the WIOA program, Dr. Demarcus Smith.
- The new organization chart which streamlines services. The chart will be available upon completion.
- The Milton Career Center Manager
- The Career Fair is scheduled for Thursday, January 22nd. There are tables available. The CSE’s Job Fair calendar will be made available, as appropriate.

There was inquiry regarding the 2026 forecast for workforce. A report to be provided upon receipt of status.

OTHER BUSINESS

Robert “Chris” Plate’ expressed thanks to the CSE staff, with specials thanks to Dr. McBride in his efforts in the success of a new company locating to Pensacola, Florida.

The mold remediation in the Pensacola Career Center is complete, and the building landlord will cover the final cost.

Mr. Reshard thanked the CSE staff and new and current members for their service.

There being no further business, the meeting adjourned at 4:05 p.m.

Douglas Brown, Secretary/Treasurer
CareerSource Escarosa

CareerSource Escarosa

SPECIAL MEETING OF THE BOARD OF DIRECTORS FEBRUARY 17, 2026 MINUTES

Members Participating: Lloyd Reshard (Chair), Douglas Brown (Secretary/Treasurer), David Peaden, II (Member-at-Large), David Bouvin, Jameson Cutchens, Steven Harrell, Leslie Moland, Christopher Plate, Brandi Boyer Rutherford, Michael Listau, Bridgette Price

Members Not Participating: Jerry Kersey, Jr. (Vice Chair), Anthony Eman, James Howe, Michele Kelson, Justin Marcum, Bridgette Price, Lisa Walsh

Ex-Officio Participating: Clara Long and Dixie Bond

Others Participating: Mariezel Halili, Carol Bono, Bill Barron, Dr. Marcus McBride, and Janay Sims – CareerSource Escarosa

Mr. Reshard (Chair) called the meeting to order at 3:35 p.m. via Microsoft Team, followed by the roll call to confirm that a quorum was present.

CALL FOR PUBLIC COMMENT

No public comments were received.

APPROVAL OF AGENDA

The agenda was made available to the board for review and approval.

One additional item was requested for the agenda – CSE's WIOA Policy.

Action Taken: Motion by Steven Harrell and seconded by David Peaden, II to approve the agenda, inclusive of additional item – CSE's WIOA Policy. Motion carried. (11-Yeas/0-Nays).

ITEMS FOR CONSIDERATION

EXTENSION REQUEST TO SERVE AS DIRECT PROVIDER OF WORKFORCE SERVICES

The extension request to serve as Direct Provider of Workforce Services was made available to the board.

Local Workforce Development Boards (LWDBs) are required to submit a Request for Extension to Serve as a Direct Provider of Workforce Services to operate as a direct provider of workforce services at least every three years. CSE was approved to serve as a Direct Provider of Workforce Services in 2023.

CareerSource Florida Administrative Policy Number 083, effective December 21, 2017, outlines the process to LWDBs to request an extension of a previous designation as a direct provider of workforce services.

The request for extension will require approval by CSE's Board, the Board of County Commissioners (designated signing authority), and further approval by CareerSource Florida (CSF).

Action Taken: Motion by David Peaden, II and seconded by Steven Harrell to approve CSE's Request to Serve as Direct Provider of Workforce Services. Motion carried. (11 Yeas/0-Nays)

CAREERSOURCE ESCAROSA WIOA POLICY

Request for modification to CSE's current WIOA Policy was made available to the board.

CSE's current WIOA Policy does not allow flexibility in selecting tools that best meet participant and program needs. Modification to the current WIOA policy will allow alternative assessments for vocational training, easing access while reinstating TABE for academic entry.

Action Taken: Motion by Bridgette Price and seconded by Douglas Brown to approve the modifications to CSE's current WIOA Policy. Motion carried. (11 Yeas/0-Nays)

OTHER BUSINESS

All were encouraged to attend Florida Power and Light (FPL) Symposium on March 3-5, 2026.

Mr. Reshard thanked the board for participating in the meeting at short notice.

There being no further business, the meeting was adjourned.

Douglas Brown, Secretary/Treasurer
CareerSource Escarosa

CareerSource Escarosa
 Summary of Expenditures
 As of 02/28/2026

| Program/ Project | NFA ID | NFA Start Date | NFA Status | Total Funds Available | LTD Expenditures | Available Funds Remaining |
|--------------------------------------|--------|----------------|------------------|-----------------------|------------------|---------------------------|
| Network Navigators | 045620 | 7/1/2025 | In Progress | \$228,571.43 | \$141,086.74 | \$87,484.69 |
| Non-Custodial Parent Employment | 045862 | 7/1/2025 | In Progress | \$400,000.00 | \$18,885.39 | \$381,114.61 |
| Rapid Response | 045530 | 7/1/2025 | In Progress | \$115,000.00 | \$26,534.89 | \$88,465.11 |
| RESEA | 044461 | 1/1/2024 | Pending Closeout | \$134,369.00 | \$133,547.51 | \$821.49 |
| RESEA | 046032 | 1/1/2025 | In Progress | \$52,648.00 | \$16,054.67 | \$36,593.33 |
| Sectors of Strategic Focus | 045599 | 7/1/2025 | In Progress | \$200,000.00 | \$67,268.15 | \$132,731.85 |
| Supplemental Nutrition Assistance | 046011 | 10/1/2025 | In Progress | \$108,117.00 | \$23,435.46 | \$84,681.54 |
| Wagner Peyser | 045573 | 7/1/2025 | In Progress | \$246,190.00 | \$145,113.66 | \$101,076.34 |
| Welfare Transition Program - Oct - J | 046113 | 10/1/2025 | In Progress | \$771,198.00 | \$156,912.41 | \$614,285.59 |
| WIOA - Adult | 045458 | 7/1/2025 | In Progress | \$891,103.00 | \$290,395.38 | \$600,707.62 |
| WIOA - Dislocated Worker | 043938 | 7/1/2024 | In Progress | \$562,949.00 | \$536,455.26 | \$26,493.74 |
| WIOA - Dislocated Worker | 045508 | 7/1/2025 | In Progress | \$498,690.00 | \$24,350.58 | \$474,339.42 |
| WIOA - Youth | 045234 | 4/1/2025 | In Progress | \$956,363.00 | \$266,075.94 | \$690,287.06 |

CareerSource Escarosa
 Summary of Expenditures
 As of 02/28/2026

| Program/ Project | NFA ID | NFA Start Date | NFA Status | Expected Burn Rate | Percent Expended | Variance | Award End Date | Notes |
|--------------------------------------|--------|----------------|------------------|--------------------|------------------|----------|----------------|-------------------------|
| Network Navigators | 045620 | 7/1/2025 | In Progress | 66.67% | 61.7% | 4.94% | 6/30/2026 | MFEA COORDINATOR FEB 20 |
| Non-Custodial Parent Employment | 045862 | 7/1/2025 | In Progress | 66.67% | 4.7% | 61.95% | 6/30/2026 | GRANT RECEIVED 11/2025 |
| Rapid Response | 045530 | 7/1/2025 | In Progress | 66.67% | 23.1% | 43.59% | 6/30/2026 | FTE STARTED MAR 2026 |
| RESEA | 044461 | 1/1/2024 | Pending Closeout | 100.00% | 99.4% | 0.61% | 12/30/2025 | |
| RESEA | 046032 | 1/1/2025 | In Progress | 66.67% | 30.5% | 36.17% | 9/30/2026 | |
| Sectors of Strategic Focus | 045599 | 7/1/2025 | In Progress | 66.67% | 33.6% | 33.03% | 6/30/2026 | |
| Supplemental Nutrition Assistance | 046011 | 10/1/2025 | In Progress | 41.67% | 21.7% | 19.99% | 9/30/2026 | |
| Wagner Peyser | 045573 | 7/1/2025 | In Progress | 53.33% | 58.9% | -5.61% | 9/30/2026 | |
| Welfare Transition Program - Oct - J | 046113 | 10/1/2025 | In Progress | 55.56% | 20.3% | 35.21% | 6/30/2026 | |
| WIOA - Adult | 045458 | 7/1/2025 | In Progress | 33.33% | 32.6% | 0.75% | 6/30/2027 | |
| WIOA - Dislocated Worker | 043938 | 7/1/2024 | In Progress | 83.33% | 95.3% | -11.96% | 6/30/2026 | |
| WIOA - Dislocated Worker | 045508 | 7/1/2025 | In Progress | 33.33% | 4.9% | 28.45% | 6/30/2027 | |
| WIOA - Youth | 045234 | 4/1/2025 | In Progress | 40.74% | 27.8% | 12.92% | 6/30/2027 | |



CareerSource Escarosa
BUDGET VARIANCE REPORT

FEBRUARY 28, 2026

| | | TOTALS | | | | |
|---|---------------------|-----------------|------------------------------|---------------------------|----|-------------|
| FY 2025-2026 Budget | | | 6,691,460 | | | |
| EXPENDITURES | ACTUAL EXPENDITURES | APPROVED BUDGET | BUDGET VARIANCE Under/(Over) | Expended FAVORABLE 66.67% | | OVER-/UNDER |
| Board Admin Operating Costs (Indirect) | 234,785 | 422,806 | 188,020 | 55.53% | | -11.14% |
| Payroll & Benefits | 157,278 | 321,192 | 163,914 | 48.97% | 1 | -17.70% |
| Facilities | 15,520 | 14,876 | (644) | 104.33% | 2 | 37.66% |
| Equipment | 0 | 0 | 0 | 0.00% | 3 | -66.67% |
| Operational Support | 61,988 | 86,737 | 24,750 | 71.47% | 4 | 4.80% |
| Board Program Operating Costs (Indirect) | 113,303 | 181,202 | 67,900 | 62.53% | | -4.14% |
| Payroll & Benefits | 75,899 | 137,654 | 61,755 | 55.14% | 5 | -11.53% |
| Facilities | 7,489 | 6,375 | (1,114) | 117.47% | 6 | 50.81% |
| Equipment | 0 | 0 | 0 | 0.00% | 7 | -66.67% |
| Operational Support | 29,914 | 37,173 | 7,259 | 80.47% | 8 | 13.81% |
| One Stop Centers, Program Management, WIOA Direct | 2,159,620 | 3,791,010 | 1,631,390 | 56.97% | | -9.70% |
| Payroll & Benefits | 1,068,736 | 1,947,312 | 878,577 | 54.88% | 9 | -11.78% |
| Facilities | 500,606 | 645,680 | 145,074 | 77.53% | 10 | 10.86% |
| Equipment | 18,034 | 23,000 | 4,966 | 78.41% | 11 | 11.74% |
| Operational Support | 185,382 | 366,435 | 181,053 | 50.59% | 12 | -16.08% |
| DEO State Control | 386,863 | 808,584 | 421,721 | 47.84% | 13 | -18.82% |
| Tuition, Training and Supportive Services Costs | 167,653 | 835,500 | 667,847 | 20.07% | | -46.60% |
| Tuition/Books/Supplies | 152,509 | 730,500 | 577,991 | 20.88% | 14 | -45.79% |
| Supportive Services | 3,112 | 55,000 | 51,888 | 5.66% | 15 | -61.01% |
| Supportive Services/ Transportation | 12,033 | 50,000 | 37,967 | 24.07% | 16 | -42.60% |
| Contracted Service Costs | 515,845 | 1,518,998 | 1,003,153 | 33.96% | | -32.71% |
| Specialized Training (EWT, OJT, CET) | 3,650 | 168,998 | 165,348 | 2.16% | 17 | -64.51% |
| Youth Customer Services | 259,381 | 540,000 | 280,619 | 48.03% | 18 | -18.63% |
| Work Experience/Internship Youth | 170,510 | 360,000 | 189,490 | 47.36% | 19 | -19.30% |
| Summer Youth Employment Program | 82,304 | 450,000 | 367,696 | 18.29% | 20 | 0.00% |
| Total Expenditures | 3,191,207 | 6,749,516 | 3,558,309 | 47.28% | | -19.39% |
| Balance Available | 3,500,253 | | | | | |
| % of Funds Expended | | | | FAVORABLE 66.67 | | |



**BUDGET VARIANCE REPORT COMMENTS
FEBRUARY 2026**

| Line Item# | Comments |
|------------|---|
| 1, 5, & 9 | <ul style="list-style-type: none"> Includes salaries and benefits, employee cost, retirement underspent by \$-302,192.73/-12.56% of the favorable 66.67%. As of last quarter, only one position remains vacant. |
| 2, 6, & 10 | <ul style="list-style-type: none"> Including building rent, maintenance, cleaning, and utilities, overspent by \$78,994.26/11.84% of the favorable 66.67%. The variance is due to an advanced rent payment made at the beginning of the year. Variance is expected to decrease over the course of the year. |
| 3, 7, & 11 | <ul style="list-style-type: none"> Includes equipment and software, overspent by \$2,700.98/11.74% of the favorable 66.67%. No further significant equipment purchases are anticipated. Actual expenditure of \$18,034 remains within the annual budget of \$23,000. |
| 4, 8, & 12 | <ul style="list-style-type: none"> Includes items such as advertising, audit, bank, communication, consulting, copier, legal, cloud services, security guard, insurance, meetings, memberships, finance charge, postage, publication & subscriptions, equipment rental, office supplies, staff training, travel, outreach, job fairs, work verification, PEO fees, underspent by \$-49,613.36/10.12% of the favorable 66.67%. Variance is expected to decrease at the end of the year due to annual renewals of service providers. |
| 13 | <ul style="list-style-type: none"> FLCOM merit staff salaries and benefits paid and controlled by the State Wagner Peyser DVOP and LVER, underspent -152,193.15/-18.82% of the favorable 66.67%. |
| 14 | <ul style="list-style-type: none"> Expenditures are based on the number of customers determined eligible for ITA's, underspent -\$334,491.33/-45.79% of the favorable 66.67%. ITA is currently at 34.20%. |
| 15 | <ul style="list-style-type: none"> Expenditures are based on the number of customers determined eligible for supportive services underspent -\$33,554.89/-61.01% of the favorable 66.67%. |
| 16 | <ul style="list-style-type: none"> WT Supportive Services and Transportation expenditures are underspent by -\$21,300.51/-42.60% of the favorable 66.67%. |
| 17 | <ul style="list-style-type: none"> The OJT providers/agreements underspent \$-109,015.16/-64.51% of the favorable 66.67%. We currently have \$97,933 OJT/EWT contracts in place. |
| 18 | <ul style="list-style-type: none"> Youth Services Sub-Awards expenditures are underspent. -\$100,618.67/-18.63% of the favorable 66.67%. |
| 19 | <ul style="list-style-type: none"> Youth Work Experience Sub-Awards expenditures are underspent -\$69,490.32/-19.30% of the favorable 66.67%. |
| 20 | <ul style="list-style-type: none"> Summer Youth Program expenditures are underspent by -\$217,695.79. Summer Youth Employment Program is expected to start on the third week of May. |

Notes:

- All funding expenditures combined are under **-\$1,308,470.67/** -19.39% of the favorable 66.67%.

**Non-Federal Fund Report
As of February 2026**

| Unrestricted Fund | SNAP Restricted | Simply Health Restricted to Job Fairs and Career Explorations | Total NON-DOC Fund |
|--------------------------|----------------------------|--|---------------------------|
| 149,912.77 | 50,000.00 | 17,703.54 | 217,616.31 |

**CAREERSOURCE ESCAROSA
ACTION ITEM
ANNUAL REVIEW OF BY-LAWS**

DATE: April 16, 2026

ITEM FOR CONSIDERATION

CareerSource Escarosa's By-Laws require that the document be reviewed annually. ARTICLE XIII. MISCELLANEOUS, Section 2. Annual Review of By-Laws states,

“These By-laws will be reviewed annually by a committee of the Board of Directors. The committee will present changes to the Board of Directors for approval. Statutory changes will require Board of Directors acceptance.”

RECOMMENDATION: Identify members to serve on the By-Laws Review Committee.

**CAREERSOURCE ESCAROSA
ACTION ITEM
WIOA YOUTH SERVICES CONTRACT RENEWALS (PY 2026-2027)**

Date: April 16, 2026

ITEM FOR DISCUSSION

WIOA year-round youth services were procured in March 2025. The procurement cycle allowed for three (3) years of contracted services (FY 2025-2026 with an additional two-year renewal – FY 2026-2027 and FY 2027-2028) provided the service provider is in good standing with CSE and is meeting performance measures. CSE contracted with Children’s Home Society, Santa Rosa County School District, and Escambia County School District to provide youth services.

As CSE enters completion of its first fiscal year (FY 2025-2026) of the three-year cycle for contracted services and based upon performance measures being met by all youth services providers, CSE staff request contract renewals for FY 2026-2027, with the below providers. Final funding levels are not to exceed \$730,000.00

- Children’s Home Society
- Santa Rosa County School District
- Escambia County School District

CSE’s Administrative Plan does not allow the CEO to sign contracts and contract modifications for CSE that exceed \$25,000.00. All contract and contract modification signatures by the CEO that exceed \$25,000.00 must be authorized by the Board.

RECOMMENDATION: The CSE Board of Directors approves the above WIOA youth services contract renewals for FY 2026-2027, with authorization of the CEO’s signature on the contract renewals and modifications.

PY 2025-2026
CareerSource Escarosa Board of Directors
Meeting Attendance

| Member's Name | PY 2025-2026 | | | | | |
|---------------------------|----------------------------|------------|------------|------------------------------|------------|--|
| | 08/21/2025 (07/17/2025) | 10/16/2025 | 01/15/2026 | 02/17/2026 (Special Mtg.) | 04/16/2026 | |
| David Bouvin | P | P | P | P | | |
| Doug Brown | P | P | P | P | | |
| Jameson Cutchens | A | A | A | P | | |
| Anthony Eman | P | P | P | A | | |
| Steven Harrell | P | P | P | P | | |
| Jeffrey Hondorp | A | A | | | | |
| James Howe | | P | P | A | | |
| Michele Kelson | A | A | A | A | | |
| Jerry Kersey, Jr. | A | A | A | A | | |
| Michael Listau | P | P | P | P | | |
| Leslie Moland | | P | P | P | | |
| Justin Marcum | | | | A | | |
| David Peaden | P | P | P | P | | |
| Robert "Chris" Plate' | | A | P | P | | |
| Bridgette Price | P | P | P | A | | |
| Lloyd Reshard | A | P | P | P | | |
| Brandi L Boyer Rutherford | P | A | P | P | | |
| Lisa Walsh | P | P | P | A | | |
| Ex-Officio Member(s) | | | | | | |
| Clara Long | A | P | P | P | | |
| Dixie Bond | | | P | P | | |
| | | | | | | |

CareerSource Escarosa Board of Directors Membership Update

TOTAL VACANCIES: 5

Business Sector: 4 (Santa Rosa County – 1 | Escambia County – 3)

Labor Organization: 1

Business Sector Members (The majority of the local board membership) – 14 seats

| | |
|---|--|
| Santa Rosa County: 1 - Vacant Seat | Escambia County: 3 – Vacant Seats |
|---|--|

Filled Seats: 6 – Santa Rosa County

Filled Seats: 4 – Escambia County

Jerry Kersey, Jr.

Lloyd Reshard

Jameson Cutchens

Anthony Eman

David Bouvin

Lisa Walsh

David Peaden

Robert “Chris” Plate`

Leslie Moland

James Howe

Workforce Sector Members (Not less than 20% of the board membership) – 2 seats

***Labor Union Organization – 1 Vacant**

Filled Seat: 1 Labor Union Organization

Justin Marcum

Other Sector Members

Filled Seats:

1 – Adult Education/Literacy (**Steven Harrell**)

1 – Institution of Higher Education (**Michael Listau**)

1 – Economic and Community Development Entity (**Bridgette Price**)

1 – Vocational Rehabilitation (**Brandi L. Boyer Rutherford**)

1 – Community Services Block Grant (**Douglas Brown**)

Membership Terms Due to Expire – 2026

| Member | Term Expiration | Area of Representation |
|----------------|-----------------|--|
| Steven Harrell | August 24, 2026 | Education and Training Provider – Adult Education and Literacy |
| | | |

Nomination(s) in the Process

Chase Horne – Labor Union Organization

Revised: 04.07.2026

CAREERSOURCE ESCAROSA MEETING SCHEDULE

Executive Committee Meeting

Board of Directors Meeting

Board of Directors Annual Refresher Training

Board of Directors New Member Orientation

PY 2026–2027

Executive Committee will meeting at 3:30 p.m. via Microsoft Teams on:

| | | | |
|--------------------|-----------------------|-----------------------|---------------------|
| 08 July 2026 | 08 October 2026 | 14 January 2027 | 08 April 2027 |
|--------------------|-----------------------|-----------------------|---------------------|

Board of Directors will meet at 3:30 p.m. in person on:

| | | | |
|--------------------|-----------------------|-----------------------|---------------------|
| 15 July 2026 | 15 October 2026 | 21 January 2027 | 15 April 2027 |
|--------------------|-----------------------|-----------------------|---------------------|

Annual Refresher Training:

| |
|--|
| February/March 2027– Day to be determined. |
|--|

New Member Orientation:

| |
|---|
| Date determined by date of Appointment: Within 6 months of appointment. |
|---|

**CAREERSOURCE ESCAROSA
RATIFY ACTION TAKEN
REQUEST FOR SUBSEQUENT LOCAL WORKFORCE DEVELOPMENT
AREA DESIGNATION**

Date: April 16, 2026

INFORMATION ITEM

Under the Workforce Innovation and Opportunity Act (Pub. L. 113-128), the Governor must re-designate local workforce development areas (LWDA) after consultation with the State Workforce Board, local chief elected officials (CLEOs) and local workforce development boards.

CareerSource Escarosa (CSE) requested the Board of County Commissioners' approval on the re-designation of LWDA 1 to serve as jurisdiction for the administration of workforce development activities using Adult, Dislocated Worker and Youth funds allocated by the State and to coordinate efforts related to other core programs at the community level.

The current re-designation, approved by the Escambia County Board of County Commissioners on May 2, 2024, will expire on June 30, 2026.

Due to deadlines imposed by Florida Commerce for submission of the request, the CSE Chair executed the request, which allowed the request to be approved/executed by the Escambia County Board of County Commissioners (CLEO/designated signing authority), and it to be submitted to Florida Commerce.

RECOMMENDATION: Ratify action taken in meeting Florida Commerce's submission deadline for CSE's Request for Subsequent Local Workforce Development Area Designation.