

Please be reminded pursuant to Section 3 of Article XIII of the Bylaws, no member of the Board shall cast a vote on any matter on which he or she has a conflict of interest as defined by federal or state law. Upon discovery of an actual or potential conflict of interest, the Board Member shall promptly disclose the actual or potential conflict of interest, promptly file a written statement of disqualification, shall withdraw from any further participation in the transaction involved, and shall abstain from voting on the matter. In the event of such disclosure or abstention, Article XII Section 3 shall govern the voting requirements on such matter.

Board Meeting Agenda

December 04, 2025 – 9.00 a.m.
via Microsoft Teams

Call to order Charles Gibbons, Chair

Public Comments

No requests from the public were received during the allotted time period published in the Public Notice on the CareerSource Pasco Hernando website.

Consent Agenda

There are no items for the Consent Agenda.

Information Items

1. Financial Audit Presentation (Theresa Miner)..... Page 02
2. Financial Reports (Theresa Miner) Page 37
3. Program Year 2024-2025 ROI (Jerome Salatino)..... Page 43
4. PHWB Board Governance Refresher Training (Jerome Salatino)..... Page 46

Board Chair Comments

CEO Comments

Adjournment

INFORMATION ITEM 1
Financial Audit Presentation

The following item is presented as information for the Board.

No action is required.

**PASCO-HERNANDO WORKFORCE
BOARD, INC.
D/B/A CAREERSOURCE PASCO
HERNANDO**

FINANCIAL STATEMENTS

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2025 AND 2024
(with summarized functional
expenses for the fiscal year ended
June 30, 2024)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Pasco-Hernando Workforce Board, Inc.
d/b/a CareerSource Pasco Hernando

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and special audit guidance provided by the Florida Department of Commerce, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

Supplementary Information (continued)

prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 5, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Winter Park, Florida
December 4, 2025

PASCO-HERNANDO WORKFORCE BOARD, INC.
D/B/A CAREERSOURCE PASCO HERNANDO

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,350,664	\$ 1,319,489
Accounts receivable	4,749	12,600
Grants receivable	1,037,283	735,160
Prepaid expenses	6,515	175
Deposits and other	44,522	80,847
Total current assets	2,443,733	2,148,271
Operating lease right-of-use asset	914,369	684,356
Property and equipment, net	10,475	19,645
Total assets	<u>\$ 3,368,577</u>	<u>\$ 2,852,272</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 216,895	\$ 98,102
Contracts payable	309,101	334,091
Accrued wages and benefits	171,225	134,126
Accrued compensated absences	61,168	57,950
Operating lease liability	240,071	245,511
Deferred grant revenue	162,003	70,679
Total current liabilities	1,160,463	940,459
Non-current operating lease liability	691,657	450,914
Non-current portion of accrued compensated absences	345,208	328,383
Total liabilities	2,197,328	1,719,756
Net assets:		
Without donor restrictions	1,171,249	1,132,516
Total net assets	1,171,249	1,132,516
Total liabilities and net assets	<u>\$ 3,368,577</u>	<u>\$ 2,852,272</u>

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

PASCO-HERNANDO WORKFORCE BOARD, INC.
D/B/A CAREERSOURCE PASCO HERNANDO

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
REVENUES:		
Grant revenue	\$ 9,210,144	\$ 8,532,562
Other income	818,050	622,771
Total revenues	10,028,194	9,155,333
EXPENSES:		
Programs		
Workforce Innovation and Opportunity Act	3,664,320	3,011,839
Welfare Transition	3,493,019	3,520,330
Other	754,083	683,958
Wagner Peyser and Veterans Services	810,959	891,076
RESEA	414,747	492,199
National Emergency	118,840	20,919
Supplemental Nutrition Assistance	80,486	150,576
Administrative		
Management and general	653,007	506,066
Total expenses	9,989,461	9,276,963
Increase (decrease) in net assets	38,733	(121,630)
NET ASSETS AT BEGINNING OF YEAR	1,132,516	1,254,146
NET ASSETS AT END OF YEAR	<u>\$ 1,171,249</u>	<u>\$ 1,132,516</u>

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

PASCO-HERNANDO WORKFORCE BOARD, INC.
D/B/A CAREERSOURCE PASCO HERNANDO

STATEMENT OF FUNCTIONAL EXPENSE

YEAR ENDED JUNE 30, 2025
(with summarized financial information for the year ended June 30, 2024)

	Program Services							Management and General	2025	2024
	Workforce Innovation and Opportunity Act	Welfare Transition	Wagner Peyser and Veterans Services	RESEA	National Emergency	Supplemental Nutrition Assistance	Other			
Personnel and benefits	\$ 1,566,922	\$ 1,334,736	\$ 537,571	\$ 360,278	\$ 19,354	\$ 67,358	\$ 493,277	\$ 507,631	\$ 4,887,127	\$ 4,531,037
Participant training and support	1,750,180	1,836,364	-	-	96,662	-	64,496	-	3,747,702	3,509,283
Communications	24,125	17,378	13,461	3,616	261	938	10,400	3,071	73,250	87,744
Depreciation	-	-	-	-	-	-	9,170	-	9,170	11,270
Insurance	9,943	17,672	10,367	1,594	174	431	3,575	445	44,201	41,341
Professional and contractual	91,208	85,820	50,896	14,371	1,106	3,748	33,193	90,947	371,289	317,317
Facilities, repairs, and supplies	214,416	193,797	187,076	33,123	1,210	7,707	77,387	47,266	761,982	649,619
Travel and training	5,554	5,247	7,171	1,217	54	220	2,682	3,589	25,734	33,599
Other	1,972	2,005	4,417	548	19	84	59,903	58	69,006	95,753
Total expenses	\$ 3,664,320	\$ 3,493,019	\$ 810,959	\$ 414,747	\$ 118,840	\$ 80,486	\$ 754,083	\$ 653,007	\$ 9,989,461	\$ 9,276,963

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

PASCO-HERNANDO WORKFORCE BOARD, INC.
D/B/A CAREERSOURCE PASCO HERNANDO

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 38,733	\$ (121,630)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,170	11,270
Non-cash rent	5,290	12,069
(Increase) decrease in assets:		
Accounts receivable	7,851	(12,600)
Grants receivable	(302,123)	618,037
Prepaid expenses	(6,340)	69,277
Deposits and other	36,325	(7,814)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	118,793	(367,549)
Contracts payable	(24,990)	95,891
Accrued wages and benefits	37,099	15,543
Accrued compensated absences	20,043	14,218
Deferred grant revenue	91,324	(76,353)
Net cash provided by operating activities	31,175	250,359
Net increase in cash and cash equivalents	31,175	250,359
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,319,489	1,069,130
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,350,664</u>	<u>\$ 1,319,489</u>
SIGNIFICANT NON-CASH TRANSACTIONS - OPERATING LEASE		
Operating lease right-of-use asset	\$ 521,833	\$ -
Operating lease liability	<u>\$ (521,833)</u>	<u>\$ -</u>

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 1 – NATURE OF OPERATIONS

Pasco-Hernando Workforce Board, Inc. (the "Organization") is a not-for-profit corporation that was established under the laws of the State of Florida. The Organization is one of twenty-one Regional Workforce Development Boards in the State of Florida providing for the development, planning, monitoring and administration of grants and programs. The majority of the Organization's funding is through the following grants: Workforce Innovation and Opportunity Act (WIOA), Welfare Transition/Temporary Assistance for Needy Families (TANF) and Wagner Peyser.

The majority of the program services are administered by subrecipients (Gulf Coast Jewish Family and Community Services, Inc. and Eckerd Youth Alternatives, Inc.).

The Organization covers Region 16 which includes Pasco and Hernando counties. The governing body of the Organization consists of Board members who are appointed by local officials to oversee conformance with grant regulations. A substantial portion of the Organization's support and revenue is received from the Florida Department of Commerce.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Financial Statements

The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the Guide). ASC 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization held no assets with donor imposed restrictions at year end.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature. There were no non-operating activities for the fiscal year ended June 30, 2025.

Basis of Accounting and Presentation

The Organization uses the accrual basis of accounting, in which revenues are recognized when they are earned and expenses are recognized when they are incurred. Revenues and the related expenses of cost-reimbursement grant programs are recognized as allowable costs are incurred. The Organization recognizes revenues from exchange transactions when the services are rendered. Receivables are recognized for outstanding invoices.

Grants Receivable

The Organization's grants receivable mainly consist of amounts receivable from governments and governmental agencies for grants and appropriations. The Organization considers its receivables to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded. Any accounts deemed uncollectible would be charged to expense when the determination is made. There were no uncollectible accounts during the fiscal year ended June 30, 2025. The Organization does not charge interest on outstanding accounts receivable.

Prepaid Expenses

Prepaid expenses consist of prepaid rents and leases, insurance and other annual contractual and dues renewals.

Deferred Grant Revenue

Deferred revenue represents grant money which has been received, but for which the prescribed services have not yet been completed. These revenues will be recognized as income when these services are completed.

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is feasible to estimate that value:

Cash, Grants Receivable and Accounts Payable – Carrying amount approximates fair value due to the short maturity of these financial instruments.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Organization follows Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied, and ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASC 958-605), which clarifies how transactions should be accounted for as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

Unconditional contributions are recognized when received and recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of the donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as assets without donor restriction upon acquisition of the assets and the assets are placed in service.

The Organization historically does not receive contributions from donors. Primarily all of its funding is through grants, which must be expended on specified programs or activities. Cost reimbursement grants are recorded as revenue when the related expenses have been incurred. Other grants are recorded as support and revenue when earned. As of June 30, 2025, all net assets of the Organization were without donor-imposed restrictions.

Donated Use of Assets and Donated Services

The estimated fair value of the free use of assets owned by others, and the estimated fair value of contributed services of individuals with special skills over which the Organization exercises control, and which constitute an enhancement to the normal programs or services that would not otherwise be performed by paid personnel, the amount of which is clearly measurable, are also recorded, when applicable. The Organization did not receive any contributed use of assets or services during the fiscal year ended June 30, 2025.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

Property and equipment are recorded at cost, if purchased by the Organization, or at fair market value at the date of the gift, if received as a donation. The Organization capitalizes those assets with a cost of \$5,000 or greater. Depreciation is provided using the straight-line method over the following estimated useful lives:

Assets	Years
Software	3
Computer and Office Equipment	3
Vehicles	5
Furniture and Fixtures	10

Substantially all fixed assets recorded by the Organization were acquired with Federal funds. Accordingly, certain rules and regulations apply to the acquisition, recording, use and disposition of such fixed assets, including authorization for disposal by the specific grantor agency.

Income Taxes

The Organization is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3). Management has evaluated the effect of the guidance provided by U.S. Generally Accepted Accounting Principles on Accounting for Uncertainty in Income Taxes. Management believes that the Organization continues to satisfy the requirements of a tax-exempt organization at June 30, 2025. Management has evaluated all other tax positions that could have a significant effect on the financial statements and determined the Organization had no uncertain income tax positions. As required by the Internal Revenue Service's regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. Those returns for 2024, 2023, and 2022 are currently subject to review and adjustment by the Internal Revenue Service.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers all investments with an original maturity of three months or less to be cash equivalents.

At June 30, 2025, the Organization had five bank accounts with one banking institution. The bank balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. Uninsured cash balances at June 30, 2025 were \$137,137.

Paid Leave Time

Organization employees are entitled to certain paid leave time benefits based on length of employment and other factors. These benefits either vest or accumulate and are accrued when they are earned. The amount of paid leave time accrued at June 30, 2025 was \$406,376.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Costs that are directly related to the Organization's specific purpose have been recorded as a direct expense and included as program services. Certain costs which are directly shared have been allocated, based on a percentage of direct costs, among programs and supporting services. Indirect costs are allocated to benefiting programs based upon an indirect cost rate approved by the U.S. Department of Labor.

Leases

The Organization determines if an arrangement is or includes a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under ASU 2016-02, *Leases* (Topic 842), a contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

Practical expedients and policy elections are available under the guidance, which was effective at adoption. The Organization elected the package of practical expedients permitted under the transition guidance which did not require reassessment of whether contracts entered into prior to adoption are or contain a lease, and allowed carry forward of the historical lease classification for existing leases.

The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. For all other leases, the Organization recognizes right-of-use (ROU) asset and lease liabilities based on the present value of lease payments over the lease term at the commencement date of the lease (or January 1, 2022 for existing leases upon the adoption of Topic 842). The Organization has also elected to use the risk-free discount rate for its leases. The risk-free discount rates were obtained using U.S. Treasury securities as posted on the Federal Reserve website.

The Organization made an accounting policy election to account for each separate lease component and the non-lease components associated with that lease component as a single lease component. Non-lease components that are variable in nature are recorded in variable lease expense in the period incurred.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (generally accepted accounting principles) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, support and expenses during the period. Actual results could vary from the estimates that were used.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 3 – GRANTS RECEIVABLE

Grants receivable consisted of the following as of June 30, 2025:

WIOA - Dislocated Worker	\$ 408,932
Welfare Transition Program	285,743
Back to Work	182,000
WIOA - Youth	42,127
Wagner Peyser	38,198
RESEA	35,739
WIOA - Hope Florida	24,913
Veterans' Programs	11,585
Supplemental Nutrition Assistance Program	8,046
Total	<u>\$ 1,037,283</u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2025:

Mobile One-Stop Center	\$ 317,082
Computer equipment	106,067
Office equipment	67,012
Software	62,900
Office furniture	7,742
	<u>560,803</u>
Less: accumulated depreciation	<u>(550,328)</u>
Total	<u>\$ 10,475</u>

Depreciation expense for the fiscal year ended June 30, 2025 was \$9,170.

NOTE 5 – DEFERRED GRANT REVENUE

The Organization records advances on grants as deferred grant revenue until it is expended for the purpose of the grant or contract, at which time it becomes unconditional and is recognized as revenue.

Deferred grant revenue consisted of the following as of June 30, 2025:

WIOA - Adult	\$ 119,126
Non-Custodial Parent Employment Program	41,573
Wagner Peyser	844
National Emergency	460
Total	<u>\$ 162,003</u>

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 6 – GRANTS AND CONCENTRATION

Grants are subject to renewals and period amendments and require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although that is a possibility, the Organization deems the contingency remote since by accepting the contracts and their terms it has accommodated the objectives of the grantors to the provisions of these contracts.

Grants accounted for approximately 92% of revenues for the fiscal year ended June 30, 2025. Should a significant reduction in funding occur, the Organization's ability to fund its programs would be greatly reduced.

NOTE 7 – RETIREMENT PLAN

The Organization sponsors a 401(k) retirement plan (the "Plan") for its employees who have attained 21 years of age. Voluntary employee contributions are allowed from eligible employees. The Organization makes a matching contribution of up to 5 percent of employees' eligible earnings. Although not required to do so, the Organization may decide to make additional contributions to the Plan. This additional contribution, if made, will be allocated to all employees eligible to participate in the Plan as of the end of each Plan year based on eligible earnings within the computation period. Employees are fully vested in their total account balance in the Plan. During the fiscal year ended June 30, 2025, the Organization made matching contributions of \$194,504 to the Plan.

NOTE 8 – LEASE OBLIGATIONS

The Organization is party to three building operating leases and an equipment lease, which are required to be included on the statement of financial position under ASC 842. During the fiscal year ended June 30, 2025, the Organization modified its existing operating lease agreement to extend the lease term by an additional 60 months. In accordance with ASC Topic 842, *Leases*, the modification was accounted for as a lease remeasurement and resulted in an adjustment to the right-of-use asset and lease liability, both of which are presented on the statement of financial position.

As of June 30, 2025, the operating lease right-of-use (ROU) asset had a balance of \$914,369, as shown in non-current assets on the statement of financial position; the operating lease liability is included in current liabilities (\$240,071) and non-current liabilities (\$691,657). The operating lease asset and liability were calculated utilizing the risk-free discount rate (5.964%), according to the Organization's elected policy. The leases have a remaining life of five years as of June 30, 2025.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 8 – LEASE OBLIGATIONS (continued)

Additional information about the Organization's leases are as follows:

Lease costs (included in facilities, repairs and supplies):

Operating lease cost	\$ 350,750
Total lease cost	<u>\$ 350,750</u>

Other information:

Cash paid for amounts included in measuring operating lease liabilities:

Operating cash flows from operating leases	\$ 345,460
Total cash paid for amounts included in measuring operating lease liabilities	<u>\$ 345,460</u>

Weighted-average remaining lease term (years)	4.21
Weighted-average discount rate	5.964%

The difference between rent expense and rent paid is non-cash rent.

Maturities of operating lease liabilities as of June 30, 2025:

Year ending June 30:	
2026	\$ 274,134
2027	280,538
2028	287,182
2029	127,045
2030	<u>62,348</u>
Total lease payments	1,031,247
Less: interest	<u>(99,519)</u>
Present value of lease liability	<u>\$ 931,728</u>

NOTE 9 – CONTINGENCIES

The Organization is subject to federal and state audits to determine compliance with grant funding requirements. In the event that expenditures would be disallowed, repayment could be required. Government grants require the fulfillment of certain conditions as set forth by applicable laws, rules and regulations, and in the grant agreements. Failure to fulfill the conditions could result in the return of the funds to the grantor.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 10 – RELATED PARTIES

The Organization's Board of Directors includes representatives of both the private and public sector industries. During the fiscal year ended June 30, 2025, the Organization had related party transactions with the following entities for training services:

	Amount Paid
Keiser University	\$ 79,019
Pasco Economic Development Council	22,875
Withlacoochee River Electric	18,987
Pasco-Hernando State College	11,137
Amskills, Inc.	5,035
Bay Area Manufacturers Association	5,000
Amerikey Locksmith, LLC	2,333
North Tampa Bay Chamber	100
Wilton Simpson Technical College	30
Total	<u>\$ 144,516</u>

NOTE 11 – COMPARATIVE DATA

The financial statements include certain prior year summarized information in total but not in program categories. Such information does not include sufficient detail to constitute a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the fiscal year ended June 30, 2024, from which the summarized information was derived.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 12 – COST ALLOCATIONS

The Organization records costs that can be directly identified as benefiting a specific program as direct expenses of the related program. Certain costs which are directly shared, have been allocated to programs based upon the relative benefit received. The Organization allocates indirect costs that cannot be identified as benefiting a specific program. Indirect costs are allocated to benefiting programs based upon an indirect cost rate approved by the U.S. Department of Labor. The following is a table of cost allocation methodologies for expenditures which are allocated:

Cost Allocated	Allocation Method
Business Services: Outreach, public awareness and certain staff salaries and benefits	Directly charged or allocated by relative year to date direct salaries and benefits recorded in each benefitting program
Program Services: Resource room staffing and other shared costs of programs	Directly charged or allocated by relative year to date direct salaries and benefits recorded in each benefitting program
One-Stop Services: Supplies, repair and maintenance, IT services, rent and utilities, Mobile One-Stop	Directly charged or allocated by relative year to date direct salaries and benefits recorded in each benefitting program
Board Staff Services: Indirect and administrative services including salaries and benefits, travel, supplies, equipment, communications, and other Board costs	Directly charged or allocated by relative year to date direct salaries and benefits recorded in each benefitting program by the indirect cost rate approved by the U.S. Department of Labor

NOTE 13 – LIQUIDITY AND AVAILABILITY

Financial assets available within one year of the statement of financial position date of June 30, 2025 for general expenditures are as follows:

Cash and cash equivalents	\$ 1,350,664
Accounts receivable	4,749
Grants receivable	<u>1,037,283</u>
Total financial assets available	<u>\$ 2,392,696</u>

The Organization manages its liquid assets in accordance with regular budgeting processes developed through the coordinated efforts of management and the Board of Directors. Regular reporting by management to those charged with governance ensures the results from operating activities are monitored closely.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 14 – RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE AND THE STATEMENT OF ACTIVITIES TO SERA

As required, the Organization regularly reconciles its financial records to the Subrecipient Enterprise Resource Application (SERA) maintained by Florida Department of Commerce. As of June 30, 2025, no discrepancies were noted.

Amounts expended on the Schedule of Expenditures of Federal Awards and State Financial Assistance and revenues and expenses on the Statement of Activities were determined in accordance with the accrual basis of accounting. The following shows a reconciliation of grant revenue on the Schedule of Expenditures of Federal Awards and State Financial Assistance and the amounts reported in SERA for the fiscal year ended June 30, 2025:

Expenditures of Federal Awards	\$ 8,836,418
Expenditures of State Financial Assistance	373,726
Amount reported in SERA	<u>(9,210,144)</u>
Difference	<u>\$ -</u>

NOTE 15 – DESCRIPTION OF PROGRAM SERVICES

The Organization had the following program services in the year ended June 30, 2025:

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

National Emergency – Disaster grants provide funding to create temporary employment opportunities to assist with clean-up and recovery efforts, when an area impacted by disaster is declared eligible for public assistance by the Federal Emergency Management Organization (FEMA) or otherwise recognized by a Federal Organization with authority or jurisdiction over Federal response to the emergency or disaster.

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

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 15 – DESCRIPTION OF PROGRAM SERVICES (continued)

Reemployment Services and Eligibility Assessments (RESEA) – The Worker Profiling and Reemployment Services (WPRS) system, mandated by Public Law 103-152 of the Unemployment Compensation Amendments of 1993, is designed to identify and rank or score unemployment insurance claimants by their potential for exhausting their benefits for referral to appropriate reemployment and training services.

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

Local Veterans Employment Representative (LVER) – The LVER program provides job development, placement and support services directly to veterans.

Supplemental Nutrition Assistance Program (SNAP) – Florida's Supplemental Nutrition Assistance Program is designed to provide voluntary training, education, support services and skills to food stamp recipients.

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

Back to Work – The Back to Work Program is designed to coordinate, develop and maintain programs that promote the retention and expansion of targeted businesses in Pasco County. The program is also designed to develop a proactive workforce development program working with education and workforce development resources to provide training for primary targeted industries and develop relationships to better serve students for careers relating to these industries.

Non-Custodial Parent Employment Program – Workforce development projects that provide vocational training and job placement assistance services to veterans, youth, and other individuals who may otherwise face barriers to employment.

The following is a schedule of expenditures for the various employment programs for the fiscal year ended June 30, 2025:

WIOA	\$ 3,810,141
Welfare Transition Program	3,273,551
Wagner Peyser	918,543
Back to Work	657,321
RESEA	452,961
Non-Custodial Parent Employment Program	373,726
Veterans' Programs	172,926
National Emergency	120,993
Supplemental Nutrition Assistance Program	87,303
	<hr/>
	\$ 9,867,465

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

NOTE 16 – FAIR VALUE MEASUREMENTS

At June 30, 2025, the Organization had no assets or liabilities subject to disclosure of fair value measurements as to valuation levels hierarchy per FASB Statement No. 157.

NOTE 17 – RISK MANAGEMENT

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

- Workers' Compensation and Employers' Liability
- General and Professional Liability
- Personal Property Damage
- Directors' and Officers' Liability

NOTE 18 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions for potential recognition and disclosure through December 4, 2025, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

PASCO-HERNANDO WORKFORCE BOARD, INC.
D/B/A CAREERSOURCE PASCO HERNANDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

Grantor/Pass-through Agency Program Title	Contract Number	ALN / CSFA Number	Expenditures
FEDERAL AWARDS			
U.S. DEPARTMENT OF AGRICULTURE			
Passed through Florida Department of Commerce:			
Supplemental Nutrition Assistance Program	FSH25	10.561	\$ 87,303
TOTAL U.S. DEPARTMENT OF AGRICULTURE			87,303
U.S. DEPARTMENT OF LABOR			
Passed through Florida Department of Commerce:			
Workforce Innovation and Opportunity Act (WIOA) Cluster			
Hope Florida - A Pathway to Promise	WIS24	17.258	104,687
Sector-Based Training Initiatives	WIS24	17.258	100,000
WIOA - Adult	WIA24	17.258	201,125
WIOA - Adult	WIA25	17.258	967,363
WIOA - Youth	WIY24	17.259	350,809
WIOA - Youth	WIY25	17.259	580,952
WIOA - Dislocated Worker	WID24	17.278	952,051
WIOA - Dislocated Worker	WID25	17.278	408,932
WIOA - State Level Rapid Response	WIR25	17.278	144,222
Total WIOA Cluster			3,810,141
National Emergency			
National Emergency - Hurricane Helene	WNH24	17.277	120,070
National Emergency - Fostering Opioid Recovery	WNO20	17.277	923
Total National Emergency			120,993
Employment Services Cluster			
Wagner Peyser	WPA24	17.207	177,800
Wagner Peyser	WPA25	17.207	541,034
Wagner Peyser - Apprenticeship Navigator	WPB24	17.207	67,829
Wagner Peyser - Apprenticeship Navigator	WPB25	17.207	70,585
Wagner Peyser - Hope Florida	WPB25	17.207	61,295
Veterans Program - Local Veterans	LVR24	17.801	22,034
Veterans Program - Local Veterans	LVR25	17.801	63,562
Veterans Program - Disabled Veterans	DVP24	17.801	32,138
Veterans Program - Disabled Veterans	DVP25	17.801	55,192
Total Employment Services Cluster			1,091,469
Unemployment Insurance			
Reemployment Services and Eligibility Assessments (RESEA)	UCR23	17.225	133,565
Reemployment Services and Eligibility Assessments (RESEA)	UCR24	17.225	319,396
Total Unemployment Insurance			452,961
TOTAL U.S. DEPARTMENT OF LABOR			5,475,564

See independent auditor's report.

PASCO-HERNANDO WORKFORCE BOARD, INC.
D/B/A CAREERSOURCE PASCO HERNANDO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (continued)
YEAR ENDED JUNE 30, 2025

Grantor/Pass-through Agency Program Title	Contract Number	ALN / CSFA Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Passed through Florida Department of Commerce:			
Tempoary Assistance for Needy Families (TANF)			
Welfare Transition Program 2024 NCP July - September	WTS24	93.558	354,000
Welfare Transition Program - July - September	WTS24	93.558	419,659
Welfare Transition Program - October - June	WTS24	93.558	283,449
Welfare Transition Program 2024 NCP October - June	WTS25	93.558	1,062,000
Welfare Transition Program - October - June	WTS25	93.558	1,154,443
Total TANF			<u>3,273,551</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>3,273,551</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 8,836,418</u>
STATE FINANCIAL ASSISTANCE			
FLORIDA DEPARTMENT OF COMMERCE			
Non-Custodial Parent Employment Program	FWFLP	40.037	<u>373,726</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 373,726</u>
TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 9,210,144</u>

See independent auditor's report.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE

JUNE 30, 2025

NOTE 1 – SCOPE OF AUDIT PURSUANT TO THE OMB COMPLIANCE SUPPLEMENT

Federal Awards Programs

All Federal grant operations of Pasco-Hernando Workforce Board, Inc. (the "Organization") are included in the scope of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement in Appendix XI of the Uniform Guidance (revised May 2024, the "Compliance Supplement"). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted in the Schedule of Findings and Questioned Costs – Federal Programs. These programs represent Federal award Type A and Type B programs for 2025 with cash and noncash expenditures that ensure coverage of at least 20 percent of federally granted funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance includes all federal and state grants to the Organization that had activity during the fiscal year ended June 30, 2025. The basis of accounting is described in Note 2 to the Organization's financial statements.

NOTE 3 – SUBRECIPIENTS

The Organization provided federal awards and state financial assistance to subrecipients as follows during the fiscal year ended June 30, 2025:

Program Title	ALN / CSFA Number	Amount
Welfare Transition Program	93.558	\$ 1,399,594
WIOA - Youth	17.259	732,900
Non-Custodial Parent Employment Program	40.037	327,500
National Emergency	17.277	96,100
WIOA - Adult	17.258	5,048
Total		<u>\$ 2,561,142</u>

NOTE 4 – INDIRECT COST RATE

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

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

To the Board of Directors of
Pasco-Hernando Workforce Board, Inc.
d/b/a CareerSource Pasco Hernando

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 Comptroller General of the United States, the financial statements of Pasco-Hernando Workforce Board, Inc. d/b/a CareerSource Pasco Hernando (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 4, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Winter Park, Florida
December 4, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Pasco-Hernando Workforce Board, Inc.
d/b/a CareerSource Pasco Hernando

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pasco-Hernando Workforce Board, Inc. d/b/a CareerSource Pasco Hernando's (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and special audit guidance provided by the Florida Department of Commerce that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance (continued)

deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Winter Park, Florida
December 4, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS

JUNE 30, 2025

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor’s report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes
Identification of major federal programs:	

<u>Name of Federal Program</u>	<u>ALN</u>
Temporary Assistance for Needy Families	93.558
Employment Services Cluster	17.207/17.801
Reemployment Services and Eligibility Assessments (RESEA)	17.225

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS**

JUNE 30, 2025

Part II – Financial Statement Findings

None (no corrective action plan issued)

Part III – Federal Award Findings and Questioned Costs

None (there are no items related to federal awards required to be reported in the management letter)

Part IV – Status of Prior Year Audit Findings

There were no prior year audit findings.

MANAGEMENT LETTER

To the Board of Directors, Florida
Pasco-Hernando Workforce Board, Inc.
d/b/a CareerSource Pasco Hernando

Report on the Financial Statements

We have audited the financial statements of Pasco-Hernando Workforce Board, Inc. d/b/a CareerSource Pasco Hernando (the "Organization") as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated December 4, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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) and the Florida Department of Commerce's Audit and Audit Resolution Responsibilities (AWI FG 05-019) issued August 12, 2005.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance; and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated December 4, 2025, should be considered in conjunction with this management letter.

Prior Year Findings:

There were no reportable findings in the prior year.

Current Year Findings:

There were no reportable findings in the current year.

Conclusion

We have reviewed information regarding our audit with management and have provided them with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the Organization. We appreciate the overall quality of the financial records and personnel in the Organization's office. We appreciate the helpful assistance and courtesy afforded us by these employees.

Winter Park, Florida
December 4, 2025

INFORMATION ITEM 2
Financial Reports

The following item is presented as information for the Board.

No action is required.

Pasco Hernando WFB 16

Statement of Activities -

Unposted Transactions Included

From 7/1/2025 Through 10/31/2025

(In Whole Numbers)

	Apprenticeship	BAck to Work	Corporate	DVOP	HOPE-Navigator	WIOA - Sec Strategies & HOPE	LVER	NCPEP	OTHer	Pooled Costs	RESEA
Revenue											
Grant Revenue.	53,353	0	0	21,508	844	27,472	49,938	300,548	0	0	121,310
Other Revenue	0	1,945	0	0	0	0	0	0	0	0	0
Total Revenue	<u>53,353</u>	<u>1,945</u>	<u>0</u>	<u>21,508</u>	<u>844</u>	<u>27,472</u>	<u>49,938</u>	<u>300,548</u>	<u>0</u>	<u>0</u>	<u>121,310</u>
Expenditures											
Personnel	32,225	90,910	1,253	525	384	8,305	2,637	2,808	0	891,212	50,907
Staff Development / Training	0	0	0	0	0	0	0	0	0	1,896	0
Facilities	0	0	4,570	0	0	0	0	0	0	128,212	0
Equipment & Furniture	0	0	0	0	0	0	0	0	0	0	0
Accounting / Audit	91	475	725	3	16	23	3	12,483	0	11,459	210
Communications	63	131	0	417	0	0	529	0	0	22,236	0
Contracted Services	0	0	0	0	0	0	0	0	0	74,581	0
Insurance	0	0	251	0	0	0	0	0	0	45,362	0
Legal	0	0	0	0	0	0	0	0	0	1,100	0
Office Expenses	6	66	1,850	3	0	0	620	0	0	11,833	152
One Stop Operator	0	0	0	0	0	0	0	0	0	10,352	0
Software License renewals	0	903	0	0	0	0	0	0	0	42,710	0
Travel & Meeting	0	1,252	0	0	0	0	0	0	0	5,930	0
Program Expenses	0	21,538	2,267	0	0	25,249	0	497,503	0	0	0
Outreach	0	0	8,993	0	0	0	0	0	0	3,150	0
Indirect Costs	13,165	37,141	512	16,575	132	5,308	21,852	1,708	0	-356,298	32,540
Program Costs Pool	15,012	40,431	557	9,625	150	5,779	11,490	1,869	0	-378,632	35,422
Business Services Pool	0	0	0	0	0	4,807	0	1,522	0	-205,801	29,467

Pasco Hernando WFB 16

Statement of Activities -

Unposted Transactions Included

From 7/1/2025 Through 10/31/2025

(In Whole Numbers)

	Apprenticeship	Rapid Response	SNAP	WIOA Adult	WIOA DW	WIOA Youth	Wagner Peyser
Revenue							
Grant Revenue.	53,353	21,713	24,150	183,784	152,721	110,831	157,367
Other Revenue	0	0	0	0	0	0	0
Total Revenue	<u>53,353</u>	<u>21,713</u>	<u>24,150</u>	<u>183,784</u>	<u>152,721</u>	<u>110,831</u>	<u>157,367</u>
Expenditures							
Personnel	32,225	8,904	13,193	84,302	23,980	48,469	0
Staff Development / Training	0	0	0	0	0	179	0
Facilities	0	0	0	0	0	0	0
Equipment & Furniture	0	0	0	0	0	0	0
Accounting / Audit	91	33	57	585	112	7,559	61
Communications	63	33	0	107	54	294	0
Contracted Services	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	451	0
Legal	0	0	0	0	0	0	0
Office Expenses	6	31	0	53	0	177	0
One Stop Operator	0	0	0	0	0	0	0
Software License renewals	0	0	0	2,966	892	0	0
Travel & Meeting	0	0	0	0	0	0	0
Program Expenses	0	0	0	116,006	36,177	-28,473	0
Outreach	0	0	0	0	0	0	0
Indirect Costs	13,165	5,691	7,095	38,516	30,699	30,982	40,244
Program Costs Pool	15,012	6,195	8,097	20,209	55,137	33,726	68,509
Business Services Pool	0	5,154	3,870	33,024	29,653	28,055	0

Pasco Hernando WFB 16
Statement of Revenues and Expenditures - Unposted Transactions included In
Report
From 7/1/2025 Through 10/31/2025
(In Whole Numbers)

Burn Rate 25%

	Current Period Budget - Revised	Current Year Actual	
Operating Revenue			
Grant Revenue	9,595,471.00	1,719,634.00	
Pasco County BCC	590,005.00	0.00	
Ticket to Work	35,000.00	0.00	**
Interest Income	0.00	1,945.00	
Other Income	0.00	0.00	
Total Operating Revenue	10,220,476.00	1,721,579.00	
Total Revenue	10,220,476.00	1,721,579.00	
Expenditures			
Allocation Costs		0	
Personnel Expenses	5,134,800.00	1,393,871	27%
Staff Training & Education	8,500.00	3,770	44%
Facilities	351,320.00	132,782	38%
Office Furniture & Equipment	52,512.00	0	0%
Accounting / Audit	111,932.00	34,312	31%
Communications	73,166.00	23,862	33%
Contracted Services	236,550.00	74,581	32%
General Insurance	66,000.00	46,415	70%
Legal	30,000.00	1,100	4%
Mobile One Stop	10,000.00	0	0%
Office Expenses and Supplies	75,130.00	14,861	20%
Software & Licenses	148,950.00	50,647	34%
Travel & Meetings	54,960.00	5,487	10%
Program Expenses	3,897,040.00	731,027	19%
One Stop Operator	45,000.00	10,352	23%
Outreach	70,000.00	12,143	17%
Total Expenditures	10,365,860.00	2,535,210.00	24%
Net Revenue Over Expenditures	(145,384.00)	(813,631.00)	

Pasco Hernando WFB 16
Statement of Financial Position - Unposted Transactions Included In Report
As of 10/31/2025
(In Whole Numbers)

	Beginning Year Balance	Current Year Balance	YTD Change
Assets			
Current Assets			
Cash - Operating	256,336	54,318	-202,018
Global Cash Card	564	8,985	8,421
Cash - Corporate Unrestricted	9,469	9,359	-110
Cash - Money Market	50,691	50,692	2
Cash - Payroll	3,244	1,684	-1,561
Truist Banking Solutions	1,030,360	726,307	-304,053
Prepaid Expenses	6,515	17,071	10,556
Deposits	44,321	44,321	0
Accounts Receivable	4,749	11,460	6,711
Grants Receivable	1,037,283	0	-1,037,283
Employee Benefit Receivables	201	67	-133
Right to Use Asset	914,369	914,369	0
Total Current Assets	<u>3,358,103</u>	<u>1,838,635</u>	<u>-1,519,468</u>
Long-term Assets			
Fixed Assets - Computer Equipment	106,067	106,067	0
Fixed Assets - Furniture & Fixtures	7,742	7,742	0
Fixed Assets - Office Equipment	67,012	67,012	0
Fixed Assets - Vehicles	317,082	317,082	0
Fixed Assets - Software	62,900	62,900	0
Accumulated Depreciation	-550,328	-550,328	0
Total Long-term Assets	<u>10,475</u>	<u>10,475</u>	<u>0</u>
Total Assets	<u>3,368,578</u>	<u>1,849,110</u>	<u>-1,519,468</u>
Liabilities			
Short-term Liabilities			
Sales Tax Payable	0	0	0
Accounts Payable - Vendors	171,233	145,711	-25,522
Accrued Expenses	45,662	789	-44,873
Contracts Payable	309,101	107,351	-201,750
Benefits Payable	-59	3,239	3,298
401K Traditional	0	0	0
Payroll Taxes Payable	0	0	0
Workers Comp Liability	26,161	6,388	-19,773
ST Lease Liability	240,071	240,071	0
Accrued Wages	83,821	0	-83,821
Accrued Leave	61,168	-84,073	-145,240
Accrued Payroll Taxes	43,255	25,869	-17,386
Accrued Pension	18,047	9,277	-8,770
Deferred Grant Revenue	162,003	0	-162,003
Total Short-term Liabilities	<u>1,160,463</u>	<u>454,623</u>	<u>-705,840</u>
Long-term Liabilities			
Non -Current Accrued Compensated Balances	345,208	345,208	0
LT Lease Liability	691,657	691,657	0
Total Long-term Liabilities	<u>1,036,865</u>	<u>1,036,865</u>	<u>0</u>
Total Liabilities	<u>2,197,328</u>	<u>1,491,488</u>	<u>-705,840</u>
Net Assets	<u>1,171,250</u>	<u>357,622</u>	<u>-813,628</u>
Total Liabilities and Net Assets	<u>3,368,578</u>	<u>1,849,110</u>	<u>-1,519,468</u>

CASH BY FUNDING SOURCE
As of 10/31/2025

Fund Code	Fund Title	Debit Balance	Credit Balance
43779	WIOA Youth NFA 43779		24,495.16
43947	WIOA Dislocated Worker -43947		37,762.22
44074	WIOA Adult NFA 44074		25,302.92
44470	RESEA NFA 44470		41,994.55
44725	SNAP NFA 44725		9,226.56
44831	LVER NFA # 44831		13,953.37
44858	DVOP NFA # 44858		10,340.36
45467	WIOA AD NFA #45467		95,478.84
45479	NCPEP NFA 45479, 45507		11,378.45
45490	WTP NFA 45490	50,354.32	
45507	WTP - NCPEP	11,400.99	
45539	Rapid Response NFA 45539		6,881.98
45582	Wagner Peyser NFA		111,219.24
45608	WIOA HOPE/Sector Strategies -		13,431.07
45629	WP Navigators NFA		13,119.07
45700	LVER	9,750.00	
70000	Corporate/Unrestricted	729,237.00	
84500	Back to Work	82,089.30	
85000	Accrued Leave	296,281.94	
90000	Board Governance/Admin Indirect Cost Pool	25,724.82	
90100	Program Cost Pool		44,023.51
90200	Business Services Cost Pool		37,762.58
90300	One Stop Cost Pool	142,877.39	
Report Total		1,347,715.76	496,369.88
Report Difference		851,345.88	

GL Code	GL Title	Debit Balance	Credit Balance
1000	Cash - Operating	54,318.44	
1001	Global Cash Card	8,985.14	
1005	Cash - Corporate Unrestricted	9,359.07	
1010	Cash - Money Market	50,692.35	
1015	Cash - Payroll	1,683.76	
1020	Truist Banking Solutions	726,307.12	
Report Total		851,345.88	

INFORMATION ITEM 3

Program Year 2024-2025 ROI

The following item is presented as information for the Board.

No action is required.

CareerSource Pasco Hernando (CSPH) is pleased to present the Return on Investment (ROI) analysis for Program Year 2024–2025. The ROI review measures the economic value generated from CSPH’s workforce investments across Pasco and Hernando Counties, demonstrating the organization’s continued impact on regional economic growth.

Overview of Workforce Investments

During PY 2024–2025, CSPH invested \$5.73 million in labor exchange, reemployment, and training services across four core workforce programs:

- WIOA Adult
- WIOA Dislocated Worker
- Wagner-Peyser
- Welfare Transition Program (WTP)

CSPH generated an estimated \$26.9 million in payroll gains for participants placed into employment or supported in retaining employment. This represents a 4.5 to 1 ROI, meaning that:

For every \$1 invested, CSPH produced approximately \$4.50 in measurable economic value.

Program Highlights

- Welfare Transition Program (WTP) achieved the strongest ROI at 4.59:1, reflecting effective engagement strategies, strong job placement outcomes, and reduced reliance on public assistance.
- Wagner-Peyser, RESEA, and Veterans programs assisted more than 850 individuals, generating over \$14.8 million in annualized wages for the region.
- WIOA Adult and Dislocated Worker programs supported upskilling, credential attainment, and job placement in high-demand sectors such as healthcare, manufacturing, and logistics, contributing to sustained wage increases and career mobility.



Return on Investment (ROI) Summary – Program Year 2024–2025

Each fiscal year, CareerSource Pasco Hernando (CSPH) plays a crucial role in driving local economic growth by investing **\$5.73 million** in labor exchange and training initiatives across the region.

During the **2024–2025 program year**, CSPH strategically allocated funding across four key workforce programs—**WIOA Adult, WIOA Dislocated Worker, Wagner-Peyser, and the Welfare Transition Program (WTP)**—all designed to strengthen the local labor market and support jobseekers in achieving long-term self-sufficiency.

This investment generated measurable returns, contributing **over \$26.9 million in payroll gains** for Pasco and Hernando Counties—an impressive **return on investment (ROI) of 4.5 to 1**.

For every **\$1 invested**, CSPH programs returned **\$4.50** to the local economy through wages, reemployment outcomes, and workforce participation.

Combined Total Economic Benefit: \$26,885,118.33

Weighted ROI: $\approx 4.5 : 1$

Key Takeaways

- For every \$1 invested, CSPH programs generated approximately \$4.50 in measurable economic value for the Pasco-Hernando community.
- The Welfare Transition Program (WTP) achieved the highest ROI at 4.59:1, highlighting effective participant engagement, employer partnerships, and reduced dependency on public assistance.
- Wagner-Peyser, RESEA, and Veterans programs supported more than 850 individuals in gaining or sustaining employment, contributing over \$14.8 million in annualized wages to the regional economy.
- WIOA Adult and Dislocated Worker programs provided training and placement in high-demand industries such as healthcare, manufacturing, and logistics—yielding sustained wage growth and career mobility for participants.

- Collectively, CSPH's programs assisted more than 1,100 individuals in achieving self-sufficiency and contributed to a stronger, more resilient workforce across Pasco and Hernando Counties.

LOOKING AHEAD

As Pasco and Hernando Counties continue to expand, CSPH remains dedicated to maximizing the impact of every workforce dollar. Through targeted partnerships, data-driven decision-making, and investments in emerging industries, CSPH will continue to ensure that workforce programs deliver measurable returns for both residents and employers.

Future efforts will focus on:

- Expanding access to training in high-demand and emerging sectors,
- Strengthening employer partnerships to improve job placement outcomes, and
- Enhancing ROI measurement and performance tracking to further drive accountability and impact.

CareerSource Pasco Hernando remains committed to advancing regional prosperity—turning investments into opportunities and opportunities into lasting success.

INFORMATION ITEM 4
PHWB Board Governance Refresher Training

The following item is presented as information for the Board.

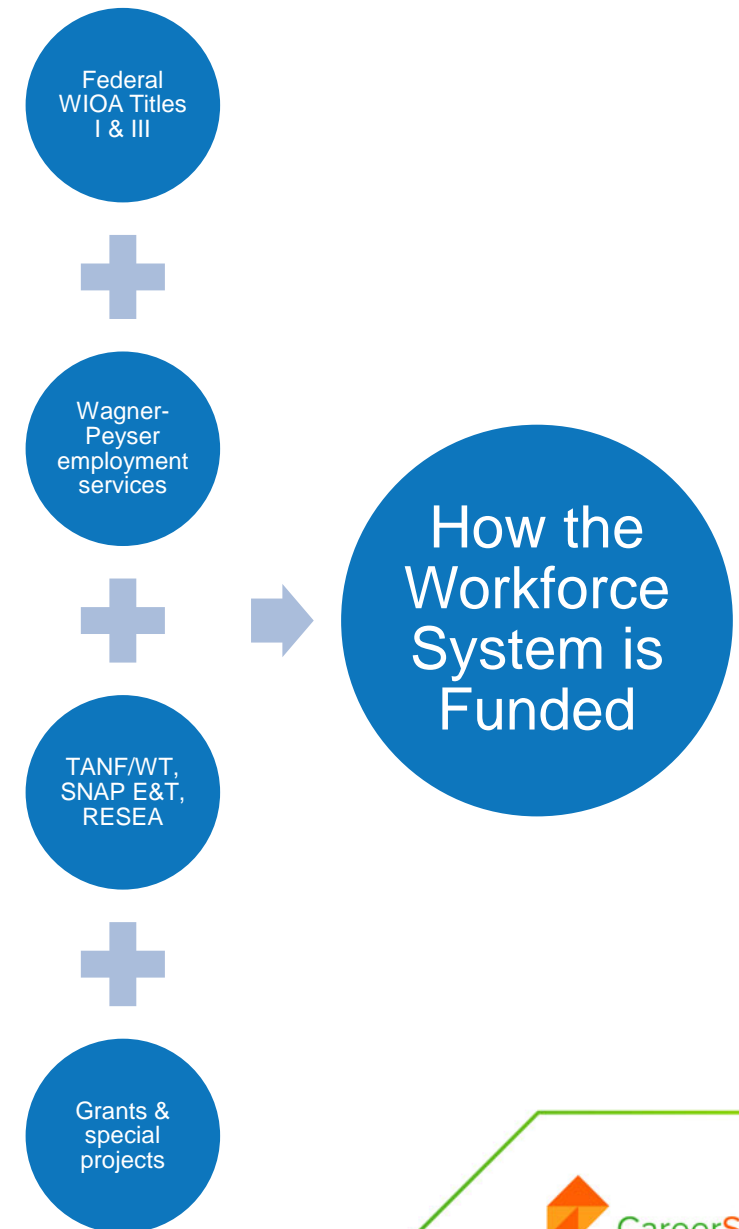
No action is required.

BOARD GOVERNANCE REFRESHER

DECEMBER 04, 2025

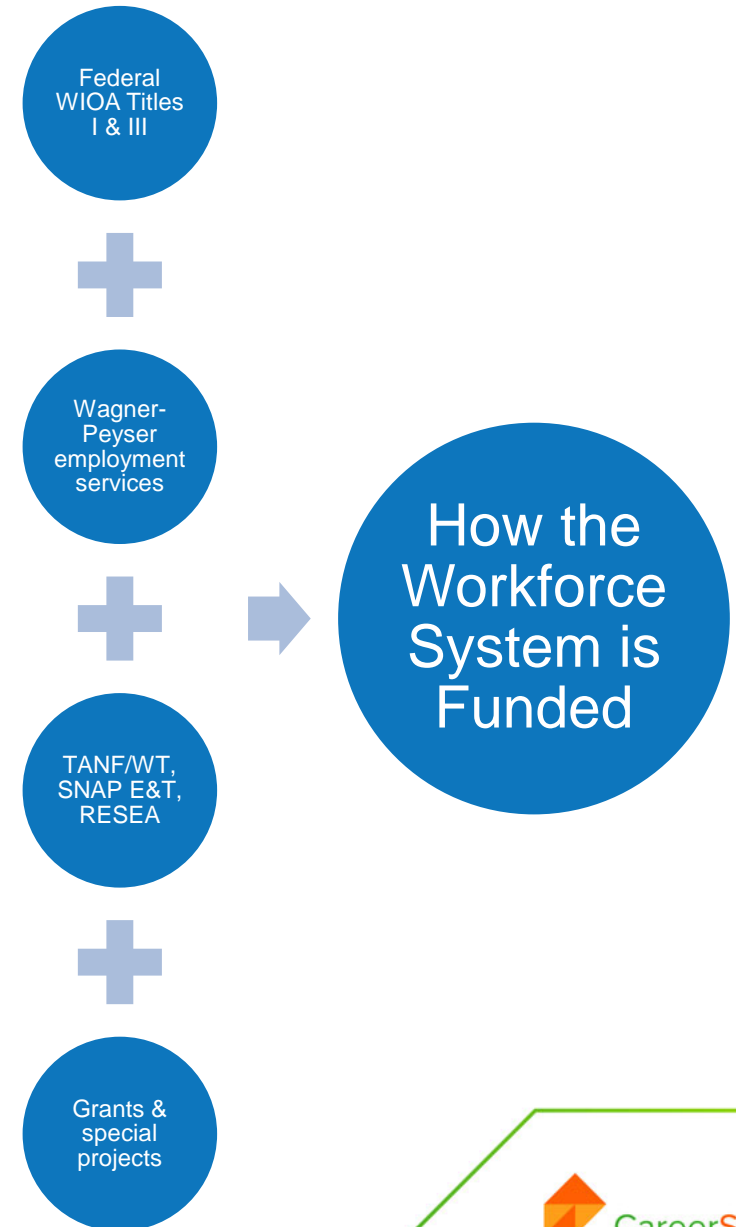
KEY ROLES & RESPONSIBILITIES

- Develop & submit **local/regional workforce plans**
- Conduct **labor market research** and convene system stakeholders
- Engage employers and lead **career pathway** development
- Promote evidence-based workforce strategies
- Oversee WIOA Adult, DW, Youth & the entire **one-stop system**
- Ensure proper use, management, and monitoring of WIOA funds



KEY ROLES & RESPONSIBILITIES

- Negotiate **local performance measures** and one-stop infrastructure funding
- Select providers for youth services, training, career services & one-stop operators
- Coordinate with education and training partners; ensure provider availability
- Assess and certify **career center accessibility** annually
- Develop LWDB budget (with CLEO approval) and maintain bylaws & codes of conduct
- Establish additional monitoring when one entity performs multiple roles
- Ensure completion of **new member orientation** & required annual training



PERFORMANCE REQUIREMENTS

- WIOA Primary Indicators of Performance
 - Employment Rate Q2 After Exit – Adults, Dislocated Workers, Youth, Wagner-Peyser
 - Employment Rate Q4 After Exit – Adults, Dislocated Workers, Youth, Wagner-Peyser
 - Median Earnings Q2 After Exit
 - Credential attainment – Recognized postsecondary credential or diploma
 - Measurable Skill Gains – Progress toward a credential or employment
 - Effectiveness in Serving Employers – Shared outcome across programs

B+

Letter Grade

88.45%

Annual Score

SUNSHINE LAW ESSENTIALS

- No private discussions on board business
- Emails/texts/social media may be public record
- All decisions must occur in noticed meetings
 - All meetings of the governing body be "open meetings"
 - Reasonable notice of meetings be given
 - Minutes of meetings be kept
- Knowingly violating the Sunshine Law is a second-degree misdemeanor
 - Any action taken at a meeting held in violation may be deemed invalid.



CONFLICT OF INTEREST RESPONSIBILITIES

- Disclose any actual or potential conflict before discussion
- File Form 8B when a conflict exists
- Abstain from voting and leave the room during conflicted items
- Do not conduct business with your own company (or spouse/child) while serving
- Avoid actions that create private gain or the appearance of impropriety
- Follow Florida Statutes Chapter 112 and PHWB Ethics & Transparency Policy

FINANCIAL DISCLOSURE REQUIREMENTS

- Form 1 due annually by July 1st
- Form 1F due within 60 days of resignation
- Required under Florida Statutes C.112
- Failure to file may result in fines or removal
- Board members must maintain updated contact information

Electronic Financial Disclosure Management System

