CITRUS, LEVY, MARION REGIONAL
WORKFORCE DEVELOPMENT BOARD, INC.

D/B/A CAREERSOURCE
CITRUS LEVY MARION

Financial Statements, Supplemental Information and Independent Auditors' Reports

For the Fiscal Year Ended June 30, 2025

CITRUS, LEVY, MARION REGIONAL
WORKFORCE DEVELOPMENT BOARD, INC.

D/B/A CAREERSOURCE
CITRUS LEVY MARION

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Powell and Jones CPA

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INDEPENDENT AUDITOR'S REPORT

To the Organization of Directors
Citrus, Levy, Marion Regional Workforce
Development Board, Inc. d/b/a
CareerSource Citrus Levy Marion

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Citrus, Levy, Marion Regional Workforce Development Board, Inc. d/b/a CareerSource Citrus Levy Marion (the Organization), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund as of June 30, 2025, and the respective changes in financial position 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 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 the Organization's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic 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 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 are 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 January 23, 2026, 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.

Powell & Jones

Powell and Jones CPA
Lake City, Florida
January 23, 2026

This discussion and analysis of the financial performance of Citrus, Levy, Marion Regional Workforce Development Board, Inc. (the Organization) provides an overview of financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the financial statements which follow this section.

FINANCIAL HIGHLIGHTS

The following are various financial highlights:

- Overall net position increased by $67,787
- Unrestricted net position at June 30, 2025, was $479,518
- The Organization incurred total expenses for the year of about $16,827,053 compared to revenues of $16,894,840

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Organization's basic financial statements. These basic statements consist of government-wide financial statements, fund financial statements and notes to the financial statements. The government-wide financial statements present an overall picture of the Organization's financial position and results of operations. The fund financial statements present financial information for the General Fund of the Organization. The notes to the financial statements provide additional information concerning the Organization's finances that are not disclosed in the government-wide or fund financial statements.

Government-Wide Financial Statements and Governmental Fund Financial Statements - All of the activities of the Organization are considered to be governmental activities. The Organization has no business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services.

The *government-wide financial statements* provide both long-term and short-term information about the overall financial status of the Organization. These statements use a format similar to a private sector business and are presented on the accrual basis. They include a statement of net position and a statement of activities.

The first financial statement is the *Statement of Net Position.* This government-wide financial statement includes long-term information such as capital assets and long-term liabilities, if any. The amounts in this statement are accounted for using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net position, the difference between these assets and liabilities, is a useful way to measure the financial health of the Organization.

The second financial statement is the *Statement of Activities*. This statement includes all of the revenues and expenses of the Organization and reconciles beginning and ending net position.

- This government-wide financial statement includes all of the current year revenues and expenses, regardless of when cash is received or paid. The amounts in this statement are accounted for using the accrual basis of accounting as discussed above. Over time, the increases or decreases in net position are useful indicators of whether the financial health of the Organization is improving or deteriorating. However, other non-financial factors, such as changes in federal funding, must also be considered when assessing the overall health of the Organization.

The *governmental fund financial statements* provide information on the current assets and liabilities of the General Fund, changes in current financial resources (revenues and expenditures) and current available resources.

- The *General Fund Balance Sheet* focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the year. The amounts are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the governmental fund's financial position.

- The *General Fund Statement of Revenues, Expenditures and Changes in Fund Balance* focuses on events that produce near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the year. These amounts are accounted for using modified accrual accounting, as discussed above.

CONDENSED FINANCIAL INFORMATION

The following tables present condensed, government-wide current year and prior year data about net position and changes in net position:

Net Position	2025 Governmental Activities	2024 Governmental Activities
Assets:		
Non-capital assets	$ 1,916,536	$ 2,489,325
Depreciable capital assets, net	42,362	9,878
Total assets	1,958,898	2,499,203
Liabilities:		
Current liabilities	1,116,708	1,771,744
Non-current liabilities	320,310	273,366
Total liabilities	1,437,018	2,045,110
Net assets:		
Net investment in capital assets	42,362	9,882
Unrestricted	479,518	444,211
Total net position	$ 521,880	$ 454,093

Change in Net Position	2025 Governmental Activities	2024 Governmental Activities
General revenues:		
Governmental grants and contributions	$ 16,828,030	$ 10,230,385
Other revenues	66,810	87,916
Total revenues	16,894,840	10,318,301
Program expenses:		
Administration and general	809,294	739,316
Client services:		
Direct and contract provided	16,004,715	9,352,189
Depreciation and amortization	13,044	109,700
Total expenses	16,827,053	10,201,205
Change in net position	67,787	117,096
Beginning net position	454,093	336,997
Ending net position	$ 521,880	$ 454,093

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated program income of $64,622, interest income of $2,188 and grant and contractual revenue of $16,828,030. The Organization incurred $16,827,053 of program expenses. This resulted in an increase in net position of $67,787.

General Fund

The fund balance of the General Fund has increased by $80,891, from $775,462 to $856,353. There is an assignment of fund balance for an accrued leave liability of $376,835 and a non-spendable balance of $50,257 for prepaid expenses and deposits. Unassigned fund balance was $429,261.

BUDGETARY HIGHLIGHTS

General Fund. The original budget was based on funding projections and included all funds expected to be available. During the year the budget is amended as funding commitments are received. Finally, the final budget is adjusted for estimates of amounts to be carried forward to subsequent years. Actual expenditures exceeded budgeted by $3,566,171 This was mainly due to unanticipated Hurricane Idalia expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Organization had no materially significant capital asset activity for the fiscal year ended June 30, 2025. Please refer to a note to the accompanying financial statements entitled *Capital Assets and Depreciation* for more detailed information about the Organization's capital asset activity.

Debt Administration

The Organization's long-term debt includes an accrual for compensated absences and leases payable. A summary of additions and deletions to long-term debt follows:

	July, 2024	Additions	Deletions	June 30, 2025
Compensated absences	$ 321,614	$ 55,221	$ -	$ 376,835
Leases	9,637	-	(9,637)	-
	$ 331,251	$ 55,221	$ (9,637)	$ 376,835

ECONOMIC FACTORS

The Organization currently is not aware of any conditions that are expected to have a significant effect on the Organization's financial position or results of operations.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the finances of the Organization and to show accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Susan Heller, Vice President of Finance, Citrus, Levy, Marion Regional Workforce Development Board, Inc., 2703 NE 14th St. Ocala, FL 34470.

CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Assets:	
Current	
Cash	$ 928,775
Grants Receivable	911,153
Accounts and Contracts Receivable	26,351
Prepaid Expenses	43,270
Total Current	1,909,549
Non-current	
Deposits	6,987
Depreciable Capital Assets, Net	42,362
Total Non-current	49,349
Total Assets	$ 1,958,898
Liabilities:	
Current	
Accounts Payable and Accrued Expenses	$ 413,801
Unearned Revenue	646,382
Accrued Compensated Absences, Current Portion	56,525
Total Current Liabilities	1,116,708
Non-current	
Accrued Compensated Absences, Net of Current	320,310
Total Non-current Liabilities	320,310
Total Liabilities	1,437,018
Net Position:	
Net Investment in Capital Assets	42,362
Unrestricted	479,518
Total Net Position	$ 521,880

See notes to financial statements.

CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Program Expenses		Program Revenue		Net (Expenses) Revenue and Changes in Net Position
Functions/Programs Governmental Activities:	Direct	Indirect	Operating Grants and Contributions	Grants and Contributions	Governmental Activities
Economic Environment					
Jobs Training and Placement	$ 16,017,759	$ 809,294	$ 16,828,030	$ -	$ 977
Total Governmental Activities	$ 16,017,759	$ 809,294	$ 16,828,030	$ -	977
				General Revenue:	
				Interest	2,188
				Other	64,622
				Total General Revenue	66,810
				Changes in Net Position	67,787
				Net Position, Beginning of Year	454,093
				Net Position, End of Year	$ 521,880

See notes to financial statements.

CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
GOVERNMENTAL FUND
BALANCE SHEET

JUNE 30, 2025

		General Fund
Assets:		
Cash	$	928,775
Grants Receivable		911,153
Accounts and Contracts Receivable		26,351
Prepaid Expenses		43,270
Deposits		6,987
Total Assets	$	1,916,536
Liabilities:		
Accounts Payable and Accrued Expenses		413,801
Unearned Revenue		646,382
Total Liabilities		1,060,183
Fund Balance:		
Non-spendable - Deposits and Prepaid Expenses		50,257
Assigned - Compensated Absences		376,835
Unassigned		429,261
Total Fund Balance		856,353
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.		42,362
Non-current liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		(376,835)
Net position of Governmental Activities	$	521,880

See notes to financial statements.

CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund
Revenues:	
Federal Grant Revenue	16,764,901
Other Grants and Contributions	63,129
Other Income	64,622
Interest Income	2,188
Total Revenues	16,894,840
Expenditures:	
Indirect:	
Administrative	
Personnel Services	496,518
Operating Expenses	96,028
	592,546
General:	
Personnel Services	149,103
Operating Expenses	67,645
	216,748
Client Services:	
Training:	
Operating Expenses	10,901,226
Operating:	
Personnel Services	1,032,419
Operating Expenses	1,025,662
	2,058,081
Program support:	
Personnel Services	1,870,133
Operating Expenses	1,165,526
	3,035,659
Debt service:	
Principal	9,637
Interest	52
	9,689
Total Expenditures	16,813,949
Total Change in Fund Balance	80,891
Fund Balance, July 1, 2024	775,462
Fund Balance, June 30, 2025	$ 856,353

See notes to financial statements.

CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities are different because:	
Net change in fund balance - governmental fund	$ 80,891
The governmental fund reports 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 expense. This is the amount by which depreciation and amortization exceeded capital outlay in the current period.	
Expenditures for capital assets	45,524
Less current year depreciation and amortization	(13,044)
	32,480
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the increase in accrued compensated absences for the current period.	(55,221)
Principal payments on long-term leases are not expended in the statement of actvities	9,637
Change in net position of governmental activities	$ 67,787

See Notes to Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Citrus, Levy, Marion Regional Workforce Development Board, Inc. d/b/a CareerSource Citrus Levy Marion (the Organization) was incorporated as a nonprofit Organization on June 17, 1996; under the provisions of the Florida Not-For-Profit Organization Act set forth in Chapter 617, Florida Statutes. The Organization exists as a result of the passage of the Workforce Florida Act of 1996, as subsequently amended, and the Inter-local Agreement establishing the Citrus, Levy, Marion Workforce Development Consortium. The Organization has been determined to be a special district within the meaning of the Uniform Special District Accountability Act of the laws of the State of Florida. The Organization is a special-purpose government.

The purpose of the Organization is to fulfill those duties and responsibilities provided for by the Workforce Innovation and Opportunity Act, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the Balanced Budget Act of 1997 and the Workforce Florida Act of 1996, as amended; consistent with the provisions of job training, job placement and benefit services to the citizens of Citrus, Levy and Marion Counties, Florida.

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

Basis of Presentation

The basic financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Organization (GASB).

Basis of Accounting and Measurement Focus

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 expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues to be available if they are collected within 60 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 are recorded only when payment is due.

The Organization uses the following fund type - the General Fund. This fund is the Organization's only operating fund. It is used to account for all revenues and expenditures applicable to the general operations or the Organization. The fund is charged with all costs of operations.

Budgets and Budgetary Process

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

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the Statement of Activities. Certain costs are allocated to the various programs and supporting services of the Organization based on the Cost Allocation Plan submitted to and approved by the U.S. Department of Labor. Costs that are directly related to the Organization's specific purposes have been recorded as direct expense and included as program services. Costs which are directly shared have been allocated among programs and supporting services based upon personnel activity reports or another allocation base which reflects the proportionate share of the benefits received. Indirect costs are allocated to benefiting programs based upon an indirect cost rate approved by the U.S. Department of Labor.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. No portion of receivables has been estimated as uncollectible by the Organization. All receivables are considered fully collectible.

Fund Balance

Governmental funds report separate classifications of fund balance.

Non-Spendable. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted. The restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed. Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Organization's Organization of Directors.

Assigned. Assigned fund balance is defined as amounts that are constrained by the Organization's Organization of Directors' intent to be used for specific purposes, but are neither restricted nor committed. The Organization has given the authority to assign fund balance to the Executive Director. Assigned fund balance includes spendable fund balance amounts established by the Executive Director that are intended to be used for specific purposes that are neither considered restricted or committed. Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or (b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues. Assigned fund balance shall reflect management's intended use of resources as set forth each year by the Executive Director. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

Unassigned. Unassigned fund balance is the residual classification for the general fund.

It is the policy of the Organization that they will use restricted resources to the extent that they are available, then committed resources, followed by assigned resources. Once these are consumed, the Organization will then use unassigned resources. The Organization does not have a formal policy requiring a minimum fund balance.

Accounting Estimates

The preparation of financial statements in conformity with 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 and expenditures/expenses during that reported period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment acquired are recorded as expenditures in governmental funds and are stated at cost in the government-wide statements. Property and equipment are defined by the Organization as assets with an initial, individual cost of $5,000 or more and an estimated useful life of more than one year. Depreciation has been recorded using the straight-line method over estimated useful lives of 3 to 20 years as follows:

Assets	Years
Office Equipment	7
Miscellaneous Equipment	20
Data Processing Equipment	3 – 15

Pension Plan

The provision for pension cost is recorded on an annual basis. The Organization's policy is to fund pension costs as they accrue. See Note 5.

Cash

The Organization pools cash resources of its various programs to facilitate the management of cash. Cash applicable to a particular program is readily identifiable. The balance in the pooled cash accounts is held at a bank that is a member of the State of Florida pool for pledging securities against fund deposits and is available to meet current operating requirements. As a result, the Organization has no need for a policy regarding deposit custodial credit risk.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid assets are reported as “non-spendable” in the fund financial statements to indicate that prepaid amounts do not represent available expendable resources.

Vacation, Sick Leave, and Other Compensated Absences

The Organization's employees are entitled to certain compensated absences based on length of employment and other factors. With minor exceptions, compensated absences either vest or accumulate and are accrued when they are earned. Compensated absences are accrued at June 30, 2025, in the amount of $376,835. See Note 4.

Post Employment Healthcare Benefits

The Organization does not provide post employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the Organization.

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

Newly Implemented Standards

SGAS No. 101 Compensated Absences

In June 2022, the Governmental Accounting Standards Board issued SGAS No. 101, Compensated Absences. Under SGAS No. 101, compensated absences must be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. Unused leave includes leave for services already rendered, leave that accumulates, and leave that more likely than not will be used for time off or paid to the employee at some point in the future. Additionally, governments are now able to report year-over-year increases and decreases in compensated absences net of each other and disclose them in one lump sum in the notes to the financial statements. This standard is required to be adopted for the fiscal year ended September 30, 2025, this adoption had no material effect on the fund balances or statements of financial position in the period under the audit.

NOTE 2. GOVERNMENT-WIDE VS. FUND FINANCIAL STATEMENTS

Governmental Fund Balance Sheet to Statement of Net Position - Amounts reported for Governmental activities in the Statement of Net Assets are different because:

Capital assets - Capital assets used in governmental activities are not reported in the governmental funds.

Cost of capital assets	$	264,560
Accumulated depreciation		(222,198)
	$	42,362

Long-term liabilities - Long-term liabilities are not reported in the governmental funds.

Compensated absences	376,835

Governmental Fund Revenues, Expenditures and Changes in Fund Balance to Statement of Activities - Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Current year depreciation expense	$	(4,900)
Current year amortization of right to use leased property	$	(8,144)

An increase in compensated absences liability decreases net position, but has no effect on fund balance. A decrease in the lease liability decreases fund balance but has no effect on effect on net position.

Current year net decrease in compensated absences	$	55,221
Current year decrease in the lease liability	$	9,637

NOTE 3. CAPITAL ASSETS AND DEPRECIATION

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

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Depreciable capital assets				
Miscellaneous equipment	$ 300,672	$ 45,524	$ (189,200)	$ 156,996
Data processing equipment	107,563	-	-	107,563
Total depreciable capital assets	408,235	45,524	(189,200)	264,559
Accumulated depreciation:				
Miscellaneous equipment	298,934	4,900	(189,200)	114,634
Data processing equipment	107,563	-	-	107,563
Total accumulated depreciation	406,497	4,900	(189,200)	222,197
Total depreciable capital assets, net	1,738	40,624	-	42,362
Right-to-use lease assets				
Buildings	1,965,431	-	-	1,965,431
Total right-to-use lease assets	1,965,431	-	-	1,965,431
Accumulated amortization				
Buildings	1,957,287	8,144	-	1,965,431
Total accumulated lease amortization	1,957,287	8,144	-	1,965,431
Total right-to-use lease assets, net	8,144	(8,144)	-	-
Total capital assets, net	$ 9,882	$ 32,480	$ -	$ 42,362

NOTE 4. NON-CURRENT LIABILITIES

Non-current liabilities consist of compensated absences and leases liabilities as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Compensated absences	$ 321,614	$ 55,221	$ -	$ 376,835
Lease liability	9,637	-	(9,637)	-
	$ 331,251	$ 55,221	$ (9,637)	$ 376,835

NOTE 5. PENSION PLAN

The Organization authorized the establishment of a defined contribution benefit plan as governed by Section 403(b) of the Internal Revenue Code. All employees 18 years or older are eligible to participate. Employees may contribute to the plan by entering into a salary reduction agreement with the Organization. The Organization shall determine on an annual basis, at its sole discretion, the amount of employer contributions to be made to the plan for each plan year. Employee participants shall at all times have a fully vested and non-forfeitable interest in their account. The plan is administered by the Variable Annuity Life Insurance Company (Valic). The following is a schedule of contributions to the plan for the last three years.

Year Ended June 30	Organization Contributed
2023	172,745
2024	153,950
2025	160,395

NOTE 6. LEASES PAYABLE

The Organization previously leased its home and field offices under operating lease agreements. These lease agreements expired during the fiscal year ended June 30, 2025, and no lease arrangements were in effect as of year-end.

In accordance with GASB Statement No. 87, Leases, the Organization recognized a right-to-use lease asset and a corresponding lease liability at the beginning of the fiscal year. The lease asset was amortized on a straight-line basis over the remaining lease term. Amortization expense for the year ended June 30, 2025 was $8,144. All lease obligations were fully satisfied during the year, and no lease assets or lease liabilities remained outstanding as of June 30, 2025.

A schedule of the present value of leases, interest rates, and remaining lease terms is not presented, as no lease agreements were outstanding at June 30, 2025.

NOTE 7. SERA RECONCILIATION

Reconciliations of the Organization's financial records to the expenditures reported in the Subrecipient Enterprise Resource Application (SERA) are required to be completed monthly by the Organization for all awards from the Department of Economic Opportunity (DEO). These reconciliations were completed as required, and the Organization's financial records are reconciled with the reported expenditures in SERA for the year ended June 30, 2025.

NOTE 8. COMMITMENTS, CONTINGENCIES, AND CLAIMS

The Organization receives substantially all of its support through federal and state funding. A significant reduction in the level of this support, if this were to occur, would have an effect on the Organization's programs and activities.

Grants require the fulfillment of certain conditions set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to grantors. Although this is a possibility, the Organization and Management deems the contingency remote.

NOTE 9. RISK MANAGEMENT

The Organization is exposed to various risks of loss, including general liability, personal injury, workers compensation, and errors and omissions. To manage its risks, the Organization has purchased commercial insurance. Settled claims resulting from these risks have not materially exceeded commercial coverage in the current and previous three years.

NOTE 10. 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 Financial Accounting Standards Organization Statement No. 157.

NOTE 11. RELATED PARTY BALANCES AND TRANSACTIONS

The Organization has entered into contractual agreements with local colleges and community organizations, several of which have delegates on the Organization of Directors, to carry out its training programs. All of the contracts were approved by the Organization of Directors in accordance with procedures established by the Florida Department of Economic Opportunity. These procedures require a two-thirds majority vote of the Organization of Directors in favor with the related party abstaining from the vote. Utilization of these training vendors is the decision of the individual participant. Payments made for these services were as follows for the year ended June 30, 2025:

Description	Amount Paid
Outreach	$ 59,500
Rent	9,370
	$ 68,870

NOTE 12. INCOME TAXES

The Organization has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3) as a nonprofit corporation. As required by Internal Revenue Service regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. The returns for 2025, 2024 and 2023 are subject to review and adjustment by the Internal Revenue Service. 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.

NOTE 13. SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for potential recognition of disclosure in the financial statements through January 23, 2026, the date that the audit report was available to be issued.

Note 14. Upcoming Accounting Pronouncements

<u>SGAS No. 104 Disclosure of Certain Capital Assets</u>

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Initial adoption is required by the fiscal year ended June 30, 2026, but early adoption is encouraged. Management believes this statement will have a nominal impact on the financial statements and other significant matters.

<u>SGAS No. 103 Financial Reporting Model Improvements</u>

This Statement requires:

- Information presented in MD&A be limited to certain topics and presented in a new format.
- Inflows and outflows related to each unusual or infrequent items to be reported separately as the last resource flow.
- Proprietary nonoperating revenues and expenses be classified according to new definitions and that a separate subtotal be presented for noncapital subsidies.
- Each major component unit to be presented in a separate column on the statement of net position and statement of activities, or a combining statement be presented.
- Budgetary comparison information be presented as RSI and that variances between original and final budgets be presented as well as an explanation of significant variances in the notes.

This standard is required to be adopted for the fiscal year ended June 30, 2026, but early adoption is encouraged. Management believes this statement will have a nominal impact on the financial statements and other significant matters.

SGAS No. 102 Certain Risk Disclosures

This Statement requires that risks of substantial impact that are likely to occur due to concentrations and constraints be reported in the notes with certain additional information. This standard is required to be adopted for the fiscal year ended June 30, 2026, but early adoption is encouraged. Management believes this statement will have a nominal impact on the financial statements and other significant matters.

REQUIRED SUPPLEMENTARY INFORMATION

CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Grants and Contributions	$ 17,477,711	$ 17,477,711	$ 16,828,030	$ (649,681)
Other Income	2,992,470	2,992,470	64,622	(2,927,848)
Interest Income	-	-	2,188	2,188
Total Revenues	20,470,181	20,470,181	16,894,840	(3,575,341)
Expenditures				
Indirect:				
Administrative	579,068	579,068	592,546	(13,478)
General	210,880	210,880	216,748	(5,868)
Client Services:				
Training	1,074,456	1,074,456	10,901,226	(9,826,770)
Operating	8,667,012	8,667,012	2,058,081	6,608,931
Program Support	2,716,362	2,716,362	3,035,659	(319,297)
Debt Service				
Principal	-	-	9,637	(9,637)
Interest	-	-	52	(52)
Total Expenditures	13,247,778	13,247,778	16,813,949	(3,566,171)
Excess of Revenues over Expenditures	7,222,403	7,222,403	80,891	(7,141,512)
Fund Balance, July 1, 2024	775,462	775,462	775,462	-
Fund Balance, June 30, 2025	$ 7,997,865	$ 7,997,865	$ 856,353	$ (7,141,512)

See notes to Required Supplementary Information.

CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2025

A. <u>Budgetary Information</u>:

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year end.

The Organization generally follows these procedures in establishing the budgetary data for the general fund as reflected in the financial statements:

1. Prior to June 30, the Executive Director submits to the Organization of Directors a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted following preliminary examination and revision of the proposed operating budget by the Organization.

3. After public hearings and necessary revisions have been completed, the budget is approved.

4. The legal level of budgetary control is the fund level.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund.

6. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

B. <u>Excess of Appropriations Over Expenditures</u>

Appropriations were greater than expenditures in the General Fund.

The significant unfavorable variance between budgeted and actual expenditures in the General Fund for the fiscal year ended June 30, 2025 was primarily attributable to the impacts of Hurricane Idalia, which resulted in unanticipated program expenditures related to emergency response and recovery activities.

SINGLE AUDIT SECTION

CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

Federal Grantor/Program Title	Contract Number	Federal Assistance Listing Number	Major Programs	Federal Expenditures	Passed through to Subrecipients
U.S Department of Agriculture					
Passed through the Florida Department of Economic Opportunity					
Supplemental Nutrition Assistance Program	FSH25	10.561		$ 126,508	-
Total U.S. Department of Agriculture				126,508	-
U.S. Department of Labor:					
Creating Connections Broadband Infrastructure	23A60HG000031-01-00	17.268		409,809	-
Youthbuild	YB-34257-19-60-A-12	17.274		246,818	187,298
WIOA - Rapid Response Hurricane Idalia	WNI24	17.277	*	11,300,187	-
FL-2024 North Florida Storms	WNI24	17.277		176,057	-
				11,476,244	187,298
Passed through the Florida Department of Economic Opportunity					
Workforce Innovation and Opportunity Act (WIOA) Cluster:					
WIOA Adult	WIA25	17.258		1,373,792	18,310
WIOA SFY Sector-Based Training Initiatives	WIS24	17.258		33,000	-
WIOA Youth Career Exploration	WIS24	17.258		52	-
WIOA SFY 24-25 WIOA Rural Initiatives	WIS24	17.258		20,000	-
				1,426,844	18,310
WIOA SFY 24-25 WIOA Rural Initiatives	WIS24	17.259		20,000	-
WIOA Youth Career Exploration	WIS24	17.259		51	-
WIOA SFY Sector-Based Training Initiatives	WIS24	17.259		32,000	-
WIOA Youth	WIY25	17.259		977,940	785,296
				1,029,991	785,296
WIOA SFY 24-25 WIOA Rural Initiatives	WIS24	17.278		22,500	-
WIOA SFY Sector-Based Training Initiatives	WIS24	17.278		35,000	-
WIOA Youth Career Exploration	WIS24	17.278		56	-
WIOA Dislocated Worker	WID24	17.278		312,547	19,525
WIOA - Rapid Response	WIR25	17.278		77,087	-
				447,190	19,525
Total WIA Cluster				15,036,896	1,010,429
Employment Services Cluster:					
Wagner Peyser Summit	WPA21	17.207			
Wagner Peyser	WPA22	17.207			
Wagner Peyser	WPA25	17.207		149,779	-
Hope Florida – A Pathway to Promise	WPB24	17.207		48,113	-
Apprenticeship Navigator	WPB25	17.207		76,439	-
				274,332	-
Disabled Veterans Outreach Program	DVP25	17.801		12,699	
Local Veterans Program	LVR25	17.801		21,018	
				33,718	-
Total Employment Services Cluster				308,050	-
Unemployment Compensation:					
Reemployment and Eligibility Assessments	UCR24	17.225		83,769	-
Trade Adjustment Assistance:					
Trade Adjustment Assistance - Training	TAC22	17.245		167	-
Total U.S. Department of Labor				15,428,882	1,010,429
U.S. Department of Health and Human Services					
Passed through the Florida Department of Economic Opportunity					
Welfare Transition Program October -June	WTS25	93.558		1,209,511	
Total U.S. Department of Health and Human Services				1,209,511	-
Total Federal Expenditures				$ 16,764,901	$ 1,010,429

See notes to Schedule of Expenditures of Federal Awards.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Single Audit Report of the Citrus, Levy, Marion Regional Workforce Development Board, Inc. have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements described in the OMB Compliance Supplement, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Reporting Entity

The reporting entity consists of Citrus, Levy, Marion Regional Workforce Development Board, Inc., the primary government. Management has determined that there are no component units.

A. Basis of Accounting

The Schedule of Expenditures of Federal Awards and State Financial Assistance is presented on the accrual basis of accounting. Expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited to reimbursement.

NOTE 2. INDIRECT COST RATE

Citrus, Levy, Marion Workforce Development Board, Inc. did not elect to use the 10 percent de minimis indirect cost rate.

NOTE 3. SUBRECIPIENT AND ONE STOP OPERATOR

The Organization provided federal awards to subrecipients and the One-Stop Provider as follows during the year ended June 30, 2025:

Program	Federal Assistance Listing Number	Subrecipient	One Stop Operator
Disabled Veterans Outreach Program	17.801	$ -	$ 173
Local Veterans Employment Representative	17.801	-	136
Supplemental Nutrition Assistance Program	10.561	-	934
WIOA Youth	17.259	785,296	10,253
WIOA Adult	17.258	18,310	6,352
WIOA Dislocated Worker	17.278	19,525	2,179
WIOA - Rapid Response	17.278	-	298
WIOA SFY 21-22 WIOA Rural Initiatives	17.258	-	72
WIOA SFY 21-22 WIOA Rural Initiatives	17.278	-	81
WIOA SFY 21-22 WIOA Rural Initiatives	17.259	-	72
WIOA - Rapid Response Hurricane Idalia	17.278	-	43,227
Wagner Peyser	17.207	-	991
Welfare Transition	93.558	-	13,926
Youthbuild	17.274	187,298	-
		$ 1,010,429	$ 78,694

NOTE 4. ALLOCATION OF WIOA FUNDING

Funds received from DEO grants under Contract number WIS24 were allocated to the following Federal ALN's:

	Federal Assistance Listing Number	WIS24
WIOA Adult	17.258	$ 53,052
WIOA Youth	17.259	52,051
WIOA Dislocated Worker	17.278	57,556
		$ 162,659

NOTE 5. YOUTHBUILD MATCHING REQUIREMENT

For the year ended June 30, 2025, the Organization had $32,264 in matching expenditures for the Youthbuild program. These matching expenditures plus the regular non-matching expenditures of $214,555 brought the total expenditures of the program to $246,818

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

To the Organization of Directors
Citrus, Levy, Marion Regional
Workforce Development Board, Inc. d/b/a
CareerSource Citrus Levy Marion

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Citrus, Levy, Marion Regional Workforce Development Board, Inc. d/b/a CareerSource Citrus Levy Marion's (the Organization), compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal programs are identified in the summary of 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 the Florida Department of Economic Opportunity's (DEO) Audit and Audit Resolution Responsibilities (AWI FG 05-019) issued August 12, 2005. 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, the Uniform Guidance and DEO Audit and Audit Resolution Responsibilities, 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 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 and DEO Audit and Audit Resolution Responsibilities, but not for the purpose of expressing an opinion on the effectiveness the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Powell & Jones

Powell and Jones CPA
Lake City, Florida
January 23, 2026

OTHER REPORTS AND LETTERS

Powell and Jones CPA

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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 Organization of Directors
Citrus, Levy, Marion Regional
Workforce Development Board, Inc. d/b/a
CareerSource Citrus Levy Marion

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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of Citrus, Levy, Marion Regional Workforce Development Board, Inc. (the Organization) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated January 23, 2026.

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) to determine the 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 determination of financial statement amounts. 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.

Powell & Jones

Powell and Jones CPA
Lake City, Florida
January 23, 2026

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MANAGEMENT LETTER

To the Organization of Directors
Citrus, Levy, Marion Regional
Workforce Development Board, Inc. d/b/a
CareerSource Citrus Levy Marion

We have audited the financial statements of Citrus, Levy, Marion Regional Workforce Development Board. Inc. (the Organization) as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated January 23, 2026.

We have issued our 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 dated January 23, 2026. Disclosures in that report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and Government Auditing Standards issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following be addressed in this letter:

PRIOR YEAR FINDINGS

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report.

There were no findings in the prior year audit report.

FINANCIAL COMPLIANCE MATTERS

<u>Financial Emergency Status</u> – We determined that the Organization had not met any of the conditions described in Section 218.503(1), Florida Statutes, that might result in a financial emergency.

<u>Financial Condition Assessment Procedures</u> – As required by the Rules of the Auditor General, (Sections 10.554(1)(i)5.a and 10.556(8), we applied financial condition assessment procedures to the Organization's financial statements. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

We noted no deteriorating financial conditions as defined by Rule 10.544(2)(f).

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

<u>Special District Specific Information</u> – As required by Section 218.39(3)(c), Florida Statutes and Section 10.554(1)(i)6, Rules of the Auditor General, the Organization, reported the following data:

a. The total number of Organization employees compensated 68.

b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the Organization's fiscal year: 12.

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: $3,548,173.

d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency: $127,560

e. Each construction project with a total cost of at least $65,000 approved by the Organization that is scheduled to begin on or after July 1 of the fiscal year being reported, together with the total expenditures for such projects as: None.

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Organization amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: The Organization's original budget totaled $13,247,778 and was not amended.

This information was not subjected to audit procedures and we express no opinion on it.

This management letter is intended solely for the information and use of the members of the Organization of Directors, management and the State of Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Powell & Jones

Powell and Jones CPA
Lake City, Florida
January 23, 2026

Powell and Jones CPA

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Communication with Those Charged with Governance

January 23, 2026

To the Organization of Directors
Citrus, Levy, Marion Regional
Workforce Development Board, Inc. d/b/a
CareerSource Citrus Levy Marion

We have audited the financial statements of Citrus, Levy, Marion Regional Workforce Development Board d/b/a CareerSource Citrus Levy Marion, Inc. (the Organization), for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Findings</u>

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described Note 1 to the financial statements. All new accounting polices adopted are referenced in Note 1 to the financial statements, and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting Citrus, Levy, Marion Regional Workforce Development Board, Inc.'s financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 23, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

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

This information is intended solely for the use of the Audit Committee, Organization of Directors and management of Citrus, Levy, Marion Regional Workforce Development Board, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Powell & Jones

Powell and Jones CPA
Lake City, Florida
January 23, 2026

CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.

SCHEDULE OF FINDINGS
For the Fiscal Year Ended June 30, 2025

SECTION 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 not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
● Material weakness(es) identified?	No
● Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)	No

Identification of major programs:

Assistance Listing Number	Name of Program or Cluster
17.277	WIOA - Rapid Response Hurricane Idalia

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

(Continued)

CITRUS, LEVY, MARION REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS
For the Fiscal Year Ended June 30, 2025
(Concluded)

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None

SECTION V - OTHER

None