

**First Coast Workforce Development, Inc.  
Audit Report  
June 30, 2025**

**First Coast Workforce Development, Inc.**  
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### **INDEPENDENT AUDITORS' REPORT**

January 16, 2026

To the Board of Directors  
First Coast Workforce Development, Inc.

### **Report on the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of the governmental activities and the major fund of the First Coast Workforce Development, Inc. (the Board, a Florida nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board'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 financial position of the Board 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 (U.S. GAAP).

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and *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 Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

The Board's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 Board's ability to continue as a going concern for 12 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 U.S. GAAS 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS and *Government Auditing Standards*:

- We exercise professional judgment and maintain professional skepticism throughout the audit.
- We 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.
- We 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 Board's internal control. Accordingly, no such opinion is expressed.
- We 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.
- We conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the Board'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**

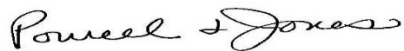
U.S. GAAP requires that the management's discussion and analysis on pages 4 through 7 and budgetary comparison information on pages 22 through 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial 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 U.S. GAAS, 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 an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Information**

In accordance with *Government Auditing Standards*, we have also issued our report, dated January 16, 2026, on our consideration of the Board's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board'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 Board's internal control over financial reporting and compliance.



POWELL and JONES CPA  
Lake City, Florida  
January 16, 2026

## **First Coast Workforce Development, Inc. Management's Discussion and Analysis**

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

The following are various financial highlights for fiscal year 2025:

The Board's overall net position increased by approximately \$55,000.

Total ending net position was approximately \$821,000.

The Board had total expenses for the year of approximately \$15,741,000 compared to revenues and gains of approximately \$15,796,500.

### **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This annual report contains government-wide financial statements that report on the Board's activities as a whole and fund financial statements that report on the Board's individual fund.

#### ***Government-Wide Financial Statements***

The first financial statement is the Statement of Net Position. This statement includes all of the Board's assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are recorded, regardless of when cash is received or paid. Net position, the difference between assets and liabilities, can be used to measure the Board's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the Board's financial health is improving or deteriorating. However, other non-financial factors, such as changes in state funding, must also be considered when assessing the overall health of the Board.

In these statements, all of the Board's activities are considered to be governmental activities. The Board has no business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services.

#### ***Fund Financial Statements***

Following the government-wide financial statements are the fund financial statements. They provide more detailed information about the Board's fund.

- **General Fund** - This fund is accounted for using the modified accrual basis of 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 Board's financial position. A reconciliation is provided with these statements, which helps to explain the difference between the fund financial statements and the government-wide financial statements.

The Board maintains one individual governmental fund. The General Fund is considered to be a major fund and, accordingly, is separately displayed.

**CONDENSED FINANCIAL INFORMATION**

The following table presents condensed, government-wide current year and prior year data about net position and changes in net position.

	<b>Net Position</b>	
	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Current assets	\$ 2,875,109	\$ 2,486,489
Noncurrent assets		
Furniture and equipment, net (Note 3)	9,318	10,917
Lease asset, net (Note 6)	<u>1,951,533</u>	<u>2,471,209</u>
<b>Total assets</b>	<u>4,835,960</u>	<u>4,968,615</u>
<b>Liabilities</b>		
Current liabilities	2,123,050	1,717,592
Non-current liabilities	<u>1,892,105</u>	<u>2,485,603</u>
	4,015,155	4,203,195
<b>Net Position</b>		
Invested in property and equipment (Note 3)	9,318	10,917
Net investment in long-term leases (Note 6)	(534,069)	(672,382)
Restricted by donors	-	100,000
Unrestricted	<u>1,345,556</u>	<u>1,326,885</u>
<b>Total Net Position</b>	<u>\$ 820,805</u>	<u>\$ 765,420</u>

	<b>Change in Net Position</b>	
	<u>2025</u>	<u>2024</u>
<b>Program Revenues</b>		
Operating grants and contributions	\$ 15,671,578	\$ 16,718,963
Charges for services and other	51,741	49,098
Interest	3,934	5,401
<b>Total revenues</b>	<u>15,727,253</u>	<u>16,773,462</u>
<b>Program expenses</b>		
Administration	1,580,963	1,694,239
Programs	<u>14,160,088</u>	<u>15,120,983</u>
<b>Total program expenses</b>	<u>15,741,051</u>	<u>16,815,222</u>
<b>Other Income</b>		
Gain on changes from lease activity (Note 6)	<u>69,183</u>	<u>18,803</u>
<b>Change in net position</b>	55,385	(22,957)
<b>Beginning net position</b>	765,420	788,377
<b>Ending net position</b>	<u>\$ 820,805</u>	<u>\$ 765,420</u>

## **OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS**

### ***Governmental Activities***

The governmental activities generated \$15,727,253 in program revenues and incurred \$15,741,051 of total expenses. This resulted in a \$55,385 increase in net position.

## **THE BOARD'S INDIVIDUAL FUND**

### ***General Fund***

The General Fund receives a substantial portion of its funding under cost reimbursement contracts. This means that revenues will generally approximate expenditures. The fund balance represents program revenues and unassigned funds to be expended in subsequent years.

## **BUDGETARY HIGHLIGHTS**

The Board adopts an annual appropriated budget for the governmental fund. A budgetary comparison statement is provided for the General Fund in order to present budgetary compliance. There were no amendments to the original budget during the year.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### ***Capital Assets***

A substantial portion of the Board's capital assets consists of office equipment. This office equipment is comprised mainly of computers and related equipment.

The disposal of equipment is done with Board authorization usually at the recommendation of the asset custodian. The custodian recommends the disposal of equipment that is no longer performing a useful function. The custodian evaluates the cost of the equipment repairs versus the cost of the equipment replacement. If possible, the Board donates to other agencies furniture and equipment that it can no longer use.

Please refer to Note 3 of the accompanying financial statements entitled *Capital Assets and Depreciation* for more detailed information about the Board's capital asset activity.

In addition to owning office equipment, the Board leases several operating sites and small pieces of machinery. Please refer to Note 6 for the impact that Board's implementation of GASB Statement No. 87, *Leases*, has had on its reporting of lease activity in the current year.

### ***Debt Administration***

The Board has no debt.

## **ECONOMIC FACTORS**

Most of the Board's revenues came from federal grants that passed through the Department of Economic Opportunity. Anything that could influence Federal and State appropriations of these funds will have a direct impact on the Board.

## **CONTACTING THE BOARD'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Cheryl A. Taylor, President, 1845 Town Center Boulevard, Suite 250, Fleming Island, Florida 32003.

**First Coast Workforce Development, Inc.**  
**Statement of Net Position**  
**June 30, 2025**

**Assets**

**Current assets:**

Cash and cash equivalents	\$ 368,015
Grants and contracts receivable	2,476,433
Other receivables	12,746
Deposits	17,915
<b>Total current assets</b>	<b>2,875,109</b>

**Noncurrent assets:**

Depreciable capital assets, net (Note 3)	9,318
Lease asset, net (Note 6)	1,951,533
<b>Total noncurrent assets</b>	<b>1,960,851</b>

<b>Total assets</b>	<b>4,835,960</b>
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**Liabilities**

**Current liabilities:**

Accounts payable	1,189,176
Deferred grant revenues	340,377
Lease liability, current (Note 6)	593,497
<b>Total current liabilities</b>	<b>2,123,050</b>

**Noncurrent liabilities:**

Lease liability, non-current (Note 6)	1,892,105
<b>Total noncurrent liabilities</b>	<b>1,892,105</b>

<b>Total liabilities</b>	<b>4,015,155</b>
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**Net position**

**Net investment in capital assets**

Property and equipment (Note 3)	9,318
Lease asset, net of amortization and related lease liability (Note 6)	(534,069)

Unrestricted	1,345,556
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<b>Total net position</b>	<b>\$ 820,805</b>
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See notes to financial statements.

**First Coast Workforce Development, Inc.  
Statement of Activities  
For the Fiscal Year Ended June 30, 2025**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital grants</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Functions/programs					
Economic environment					
Administration	\$ 1,580,963	\$ -	\$ 1,580,963	\$ -	\$ -
Programs	14,160,088	1,430	14,090,615	-	(68,043)
<b>Total</b>	<u><u>\$15,741,051</u></u>	<u><u>\$ 1,430</u></u>	<u><u>\$ 15,671,578</u></u>	<u><u>\$ -</u></u>	<u><u>(68,043)</u></u>
		General revenue			
		Other revenue			50,311
		Interest			3,934
		Other income/losses			
		Gain on change from lease activity (Note 6)			69,183
		Change in net position			<u>55,385</u>
		Net position, beginning of year			765,420
		Net position, end of year			<u><u>\$ 820,805</u></u>

See notes to financial statements.

**First Coast Workforce Development, Inc.  
Balance Sheet  
Governmental Fund  
June 30, 2025**

	<b>General Fund</b>
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 368,015
Grants and contracts receivable	2,476,433
Other receivables	12,746
Deposits	17,915
<b>Total assets</b>	<b>2,875,109</b>
<b>Liabilities</b>	
<b>Current liabilities:</b>	
Accounts payable	1,189,176
Deferred grant revenues	340,377
<b>Total liabilities</b>	<b>1,529,553</b>
<b>Fund balance</b>	
Nonspendable - deposits	17,915
Unassigned	1,327,641
<b>Total fund balance</b>	<b>1,345,556</b>

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

Capital assets used in governmental activities are not reported in the governmental fund	
Capital assets - net of accumulated depreciation (Note 3)	9,318
Lease asset - net of accumulated amortization (Note 6)	1,951,533
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund	
Lease liability (Note 6)	(2,485,602)
<b>Net position of governmental activities</b>	<b>\$ 820,805</b>

See notes to financial statements.

**First Coast Workforce Development, Inc.  
Statement of Revenues, Expenditures and Change in Fund Balance  
Governmental Fund  
For the Fiscal Year Ended June 30, 2025**

	<b>General Fund</b>
<b>Revenues</b>	
Intergovernmental	\$15,671,578
Charges for services	1,430
Miscellaneous	54,245
<b>Total revenues</b>	<b>15,727,253</b>
 <b>Expenditures</b>	
Economic Environment	
Administration	1,580,963
Programs	14,227,619
<b>Total expenditures</b>	<b>15,808,582</b>
 Deficit of revenues over expenditures	 (81,329)
 Fund balance, beginning of year	 1,426,885
Fund balance, end of year	<b>\$ 1,345,556</b>

See notes to financial statements.

**First Coast Workforce Development, Inc.  
Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balance to the Statement of Activities  
For the Fiscal Year Ended June 30, 2025**

Deficit of revenues over expenditures - governmental fund \$ (81,329)

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 capitalized and depreciated over their estimated useful lives.

Current year depreciation expense (Note 3) (1,599)

Governmental funds treat lease assets as noncurrent in nature and do not carry them on the balance sheet. Therefore the amortization of lease assets and any gain/loss that results from changes in terms of lease agreements are not included as a change to the fund balance on the statement of revenues, expenditures, and changes in fund balance

Current year amortization of the lease asset (Note 6) (584,898)

Gain/(loss) resulting from changes to lease agreements (Note 6) 69,183

Some expenditures reported in the statement of revenues, expenditures, and changes in fund balance are related to the extinguishment of a non-current liability and are not considered an expense on the statement of activities.

Current year extinguishment of lease liability (Note6) 654,028

Change in net position from the statement of activities \$ 55,385

See notes to financial statements.

**First Coast Workforce Development, Inc.**  
**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the more significant accounting policies of First Coast Workforce Development, Inc. (the Board), which affect significant elements of the financial statements:

***Reporting Entity***

The Board was incorporated on January 12, 1996, as a non-profit organization. The Board's mission is to promote and enhance productive employment of individuals in the Florida counties of Baker, Clay, Duval, Nassau, Putnam and St. Johns (RWB Region 8). The Board was created to fulfill the duties and responsibilities provided for by the Workforce Florida Act of 1996, the Federal Workforce Investment Act of 1998 and the Florida Workforce Innovation Act of 2000, consistent with the provision of job training, job placement and benefit services to the citizens of the six county regions. The governing body of the Board consists of board members who are appointed by state and local officials.

The Board is the grant recipient and grant administrator for the following grants and programs in RWB Region 8:

*Workforce Investment 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. WIOA National Emergency Grant funding is intended to temporarily expand capacity to serve dislocated workers, including military service members, and meet the increased demand for WIOA employment and training services, with a purpose to re-employ laid off workers and enhance their employability and earnings.

*Military Family* - This funding provides support for military spouses and dependents through education and employment in high skill/high wage occupations.

*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.

*Re-employment and Eligibility Assessments* - The Worker Profiling and Re-employment 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 re-employment services.

*Trade Adjustment Assistance (TAA)* - The TAA program provides adjustment assistance to qualified workers adversely affected by foreign trade.

*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 counseling, job development, placement, and support services directly to veterans.

*Supplemental Nutrition Assistance Program (SNAP)* - SNAP programs provide funding grants for administrative and programmatic costs incurred to operate the Food Stamp Program for able-bodied adults without children. The goal of the program is to provide job placement.

*Temporary Assistance for Needy Families (TANF)* - TANF programs are designed to emphasize work, self-sufficiency, and personal responsibility for welfare recipients and to enable them to move from welfare to work with the goal of economic self-sufficiency.

Criteria for determining if other entities are potential component units of the Board which should be reported with the Board's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the Board is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the Board's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Board.

### ***Reporting Model***

The Board was incorporated as an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, due to the structure established to approve Board members, management has determined that the Board is required to report under generally accepted accounting principles for state and local governments.

### ***Government-wide Financial Statements***

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

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

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

### ***Fund Financial Statements***

The financial transactions of the Board are reported in individual funds in the fund financial statements. The governmental fund statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental fund.

Governmental Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources.

### ***Measurement Focus and Basis of Accounting***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of timing of related cash flows.

The 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 Board 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 the related liability is incurred.

Most revenues are considered to be susceptible to accrual and have been recognized in the current fiscal period. Certain other revenue items are considered to be measurable and available only when cash is received.

When both restricted and unrestricted resources are available for use, the Board's policy is to use restricted resources first, then unrestricted resources as they are needed.

### ***Cash and Cash Equivalents***

The institution in which the Board's monies are deposited is certified as a "Qualified Public Depository," as required under the Florida Security for Public Deposits Act. This law requires every qualified public depository to deposit with the State eligible collateral equal to or in excess of an amount to be determined by the State and requires the State to ensure that funds are entirely collateralized by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance.

### ***Grants and Contracts Receivable***

Grants and contracts receivable consist of amounts due from grantor agencies and subrecipients for reimbursement of expenditures under various programs as of June 30, 2025. All amounts are expected to be collected within the next year. The Board considers all receivables to be fully collectible. No allowance for doubtful accounts is included in the financial statements.

### ***Capital Assets and Depreciation***

Capital assets are defined by the Board as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. Depreciable capital assets are depreciated using the straight-line method over estimated useful lives of 5 to 10 years.

### ***Indirect Costs***

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Costs shared by more than one program are allocated to the appropriate programs using a combination of full-time equivalent employees that work within each program and a ratio of the number of active participants served by each program.

### ***Revenue Sources***

Generally, revenue is received from the State of Florida Department of Economic Opportunity and is earned on a cost reimbursement basis.

### ***Use of 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

### ***Budgets and Budgetary Process***

The Board adopts an annual operating budget, which can be amended throughout the year, and which is presented as required supplementary information. For the General Fund, the modified accrual basis of accounting is used to reflect budgeted revenues and expenditures. The fund is the legal level of control.

### ***Fund Balance***

The Board follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

*Nonspendable fund balance* - 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 fund balance* - includes amounts restricted by external sources or by constitutional provision or by enabling legislation.

*Committed fund balance* - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Board's highest level of decision-making authority, which is a resolution.

Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action.

*Assigned fund balance* - Assigned fund balances are amounts that are constrained by the Board's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the Board or (b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned fund balance* - includes amounts that have not been assigned, committed, or restricted within the General Fund.

The Board's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

***Tax Exempt Status***

The Board is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been recorded in these financial statements. The Board files information returns as required. Management is not aware of any matters that would have a material effect on the Board's tax-exempt status. The Board's federal information returns generally remain subject to examination by taxing authorities for the most recent three years. three years.

***Subsequent Events***

The Board has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 16, 2026, the date which the financial statements were available to be issued.

**NOTE 2 - GRANTS AND CONTRACTS RECEIVABLE**

Grants and contracts receivable are from the State of Florida and are for the following programs:

WIOA Adult	\$ 1,205,607
WIOA Dislocated Worker	3,258
WIOA FL Healthcare Training	142,444
WIOA Rapid Response	77,752
WIOA Rural Initiative	67,623
WIOA Youth	255,450
WIOA Sector Based Training	170,559
Welfare Transition	477,241
Wagner-Peyser	5,615
Wagner-Peyser Hope FL Pathways to Promise	44
Supplemental Nutrition Assistance Program	49,862
Disabled Veterans' Outreach Program	1
Reemployment Services and Eligibility Assessment	20,977
Total	<u>\$ 2,476,433</u>

**NOTE 3 – CAPITAL ASSETS AND DEPRECIATION**

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

	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets being depreciated:				
Furniture and equipment	\$ 100,277	\$ -	\$ -	\$ 100,277
Computer equipment	217,628	-	(104,059)	113,569
Vehicles	77,997	-	-	77,997
Software	54,514	-	-	54,514
Total assets being depreciated	<u>450,416</u>	<u>-</u>	<u>(104,059)</u>	<u>346,357</u>
Less accumulated depreciation for:				
Furniture and equipment	89,360	1,599	-	90,959
Computer equipment	217,628	-	(104,059)	113,569
Vehicles	77,997	-	-	77,997
Software	54,514	-	-	54,514
Total accumulated depreciation	<u>439,499</u>	<u>1,599</u>	<u>(104,059)</u>	<u>337,039</u>
Governmental activities, net	<u>\$ 10,917</u>	<u>\$ (1,599)</u>	<u>\$ -</u>	<u>\$ 9,318</u>

Depreciation is recognized on a straight-line basis and was charged to functions/programs as follows:

Economic Environment	\$ 1,599
----------------------	----------

**NOTE 4 - RISK MANAGEMENT PROGRAMS**

Insurance coverage is being provided through purchased commercial insurance. Settled claims (if any) resulting from these risks have not exceeded commercial coverage in the past three years.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

Pursuant to Section 163.01(7) of Chapter 163, *Florida Statutes*, the First Coast Workforce Development Consortium (the Consortium), a special district governmental entity, provides personnel and acts as the employer of record for the Board. During the year ended June 30, 2025 the Board incurred costs of \$6,599,432 to the Consortium for contract labor including fringe benefits. As of that date, the Board owed the Consortium \$284,864 due to labor and benefit costs that had been incurred.

The Board has entered into contractual agreements with local colleges and community organizations, several of which have delegates on the Board of Directors, to carry out its training programs. All of the contracts were approved by the Board of Directors in accordance with procedures established by the Florida Department of Economic Opportunity. These procedures require a two-thirds majority vote of the Board of Directors in favor with the related party abstaining from the vote. Utilization of these training vendors is the decision of the individual participants.

**NOTE 6 - LEASES**

The Board leases its home and field offices under leases with remaining terms of one to five years at various monthly rates. The option to extend beyond five years has been included in a number of these lease agreements. The Board also has leases with remaining terms for mailing equipment. The Board is responsible for insuring this personal property located in these offices.

In compliance with GASB Statement No. 87, *Leases*, the Board carries both a lease asset and lease liability on its government-wide statement of net position. The lease asset is amortized on a straight-line monthly basis over the life of the lease. Amortization expense for the year ending June 30, 2025 was \$584,898. The lease asset and its accumulated amortization, as of June 30, 2025, are as follows:

<b>Lease assets</b>	
Home and field offices	\$ 5,757,228
Mail Equipment	18,448
<b>Total lease assets</b>	<u>5,775,676</u>
<b>Accumulated amortization</b>	
Home and field offices	(3,824,143)
Mail Equipment	-
<b>Total accumulated amortization</b>	<u>(3,824,143)</u>
<b>Lease asset, net</b>	<u><u>\$ 1,951,533</u></u>

The lease liability is amortized through the monthly lease payments made by the Board. A portion of each payment is expensed as interest, the rate of which is determined as the prime rate at the onset of the lease. The remaining amount of each payment goes to reduce the principal balance of the lease liability. The schedule below shows the annual interest expense and lease principal payments to maturity as of June 30, 2025:

Year	Payment	Interest	Principal
2026	\$ 749,160	\$ 155,664	\$ 593,497
2027	706,985	114,891	592,095
2028	482,481	78,393	404,087
2029	266,895	55,063	211,832
2030	99,588	47,497	52,091
2031-2035	515,634	173,745	341,889
2036-2039	344,298	54,186	290,112
	<u>\$ 3,165,041</u>	<u>\$ 679,439</u>	<u>\$ 2,485,602</u>

In the normal course of business, terms for lease agreements are subject to change which impacts the estimated lease asset and liability. During the current year changes in lease terms resulted in the Board recognizing a related gain of \$69,183 on its statement of activities.

**NOTE 7 – IN-KIND CONTRIBUTIONS**

In-kind contributions of services, goods, or space may be donated during the year. Contributions of services are recognized as in-kind at their fair market value when they create or enhance nonfinancial assets, or they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. In-kind contributions of infrastructure costs, shared services, and operating costs of \$14,935 are recognized in the financial statements for June 30, 2025 at estimated fair market value.

**NOTE 8 - ECONOMIC DEPENDENCY**

The Board's primary sources of revenue are from Workforce Innovation and Opportunity Act (WIOA) grants, Supplemental Nutrition Assistance Program (SNAP) grants, Temporary Assistance for Needy Families (TANF) grants, Re-employment Services and Eligibility Assessment (RESEA) grants, and Wagner-Peyser grants. These grants must be periodically renewed.

**REQUIRED SUPPLEMENTARY INFORMATION**

**First Coast Workforce Development, Inc.  
Budgetary Comparison Schedule  
General Fund  
For the Fiscal Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 16,521,000	\$ 16,521,000	\$ 15,671,578	\$ (849,422)
Donations	-	-	-	-
Charges for services	1,427,000	1,427,000	1,430	(1,425,570)
Miscellaneous	-	-	54,245	54,245
<b>Total revenues</b>	<u>17,948,000</u>	<u>17,948,000</u>	<u>15,727,253</u>	<u>(2,220,747)</u>
<b>Expenditures</b>				
Economic Environment				
Administration	1,794,800	1,794,800	1,580,963	213,837
Programs	15,671,200	15,671,200	14,227,619	1,443,581
Capital outlay	482,000	482,000	-	482,000
<b>Total expenditures</b>	<u>17,948,000</u>	<u>17,948,000</u>	<u>15,808,582</u>	<u>2,139,418</u>
<b>Deficit of revenues over expenditures</b>	-	-	(81,329)	(81,329)
<b>Fund balance, beginning of year</b>			1,426,885	
<b>Fund balance, end of year</b>			<u>\$ 1,345,556</u>	

See notes to required supplementary information.

**First Coast Workforce Development, Inc.**  
**Notes to the Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2025**

**A. Budgetary Information:**

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 the end of the fiscal year.

The Board 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 President submits to the Executive Board 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. After review, necessary revisions and approval have been completed by the Executive Board, the budget receives approval from the Board of Directors.
3. The legal level of budgetary control is the fund level.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund.
5. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

**B. Excess of Appropriations Over Expenditures**

Appropriations were greater than expenditures in the General Fund.

**SUPPLEMENTARY INFORMATION**

**First Coast Workforce Development, Inc.  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2025**

Federal Grantor/Pass-through Grantor/Program Title	Contract Period	Contract Number	ALN	Contract Amount	Accrued (Deferred) Revenue June 30, 2024	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2025	Passed through to Subrecipients
<u>U.S. Department of Agriculture</u>									
Passed through the Florida Department of Economic Opportunity									
Supplemental Nutrition Assistance Program	10/01/2023-09/30/2024	FSH24	10.561	\$ 343,567	\$ 27,530	\$ 102,868	\$ 75,338	\$ -	\$ -
Supplemental Nutrition Assistance Program	10/01/2024-09/30/2025	FSH25	10.561	298,866	-	206,181	256,043	49,862	-
<b>Total U.S. Department of Agriculture</b>				<b>642,433</b>	<b>27,530</b>	<b>309,049</b>	<b>331,381</b>	<b>49,862</b>	<b>-</b>
<u>U.S. Department of Labor</u>									
Passed through the Florida Department of Economic Opportunity; reintegration of Ex-offenders									
Reemployment Services and Eligibility Assessments	01/01/2023-09/30/2025	UCR23	17.225	533,177	346	195,608	195,262	-	-
Reemployment Services and Eligibility Assessments	01/01/2024-09/30/2025	UCR24	17.225	524,431	-	303,563	324,540	20,977	-
				<b>1,057,608</b>	<b>346</b>	<b>499,171</b>	<b>519,802</b>	<b>20,977</b>	<b>-</b>
Trade Adjustment Assistance Training	10/01/2023-09/30/2024	TAT22	17.245	8,496	1	1	159	-	-
Trade Adjustment Assistance Case Management	10/01/2022-09/30/2024	TAC22	17.245	28,347	(1,323)	4,990	6,313	-	-
				<b>36,843</b>	<b>(1,322)</b>	<b>4,991</b>	<b>6,472</b>	<b>-</b>	<b>-</b>
Workforce Innovation and Opportunity Act (WIOA) Cluster									
WIOA State Level Florida Healthcare Training ***	07/01/2023-06/30/2025	WIS24	17.258	229,394	(1,103)	92,363	140,472	47,006	-
WIOA Adult ***	07/01/2023-06/30/2025	WIA24	17.258	2,262,027	335,433	444,211	108,778	-	-
WIOA Adult ***	07/01/2024-06/30/2026	WIA25	17.258	2,099,535	-	1,471,912	2,099,535	627,623	9,033
WIOA Rural Initiative***	07/01/2024-06/30/2025	WIS24	17.258	61,875	-	39,559	61,875	22,316	-
WIOA State Level Hope Florida - A Pathway to Promise***	07/01/2024-08/31/2025	WIS24	17.258	11,598	-	11,598	11,598	-	-
WIOA State Level Sector-based Training***	07/01/2024-06/30/2025	WIS24	17.258	103,950	-	22,415	78,700	56,285	-
WIOA Rapid Response ***	07/01/2024-6/30/2025	WIR25	17.278	247,417	-	169,665	247,417	77,752	-
				<b>5,015,796</b>	<b>334,330</b>	<b>2,251,723</b>	<b>2,748,375</b>	<b>830,982</b>	<b>9,033</b>
WIOA State Level Florida Healthcare Training ***	07/01/2023-06/30/2025	WIS24	17.259	222,243	(1,069)	89,565	136,216	45,582	-
WIOA Rural Initiative***	07/01/2024-06/30/2025	WIS24	17.259	60,000	-	38,361	60,000	21,639	-
WIOA State Level Hope Florida - A Pathway to Promise***	07/01/2024-08/31/2025	WIS24	17.259	11,246	-	11,246	11,246	-	-
WIOA State Level Sector-based Training***	07/01/2024-06/30/2025	WIS24	17.259	100,800	-	21,736	76,315	54,579	-
WIOA Youth ***	04/01/2023-06/30/2025	WIY24	17.259	2,239,702	189,389	944,428	755,039	-	192,894
WIOA Youth ***	04/01/2024-06/30/2026	WIY25	17.259	2,120,385	-	1,331,670	1,587,120	255,450	588,088
				<b>4,754,376</b>	<b>188,320</b>	<b>2,437,006</b>	<b>2,625,936</b>	<b>377,250</b>	<b>780,982</b>

(Continued)

See notes to schedule of expenditures of federal awards.

**First Coast Workforce Development, Inc.  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2025  
(Concluded)**

Federal Grantor/Pass-through Grantor/Program Title	Contract Period	Contract Number	ALN	Contract Amount	Accrued (Deferred) Revenue June 30, 2024	Receipts	Expenditures	Accrued (Deferred) Revenue June 30, 2025	Passed through to Subrecipients
U.S. Department of Labor continued									
WIOA State Level Florida Healthcare Training ***	07/01/2023-06/30/2025	WIS24	17.278	\$ 243,296	\$ (1,169)	\$ 97,961	\$ 148,986	\$ 49,856	\$ -
WIOA Dislocated Worker ***	07/01/2023-06/30/2025	WID24	17.278	2,500,030	52,215	2,334,183	2,281,968	-	15,269
WIOA Dislocated Worker ***	07/01/2024-06/30/2026	WID25	17.278	2,533,913	-	141,004	722,247	581,243	845
WIOA Rural Initiative ***	07/01/2024-06-30/2025	WIS24	17.278	65,625	-	41,957	65,625	23,668	-
WIOA State Level Hope Florida - A Pathway to Promise ***	07/01/2023-06/30/2025	WIS24	17.278	12,300	-	12,300	12,300	-	-
WIOA State Level Sector based Training ***	07/01/2024-06-30/2025	WIS24	17.278	110,250	-	23,774	83,469	59,695	-
				<u>5,465,414</u>	<u>51,046</u>	<u>2,651,179</u>	<u>3,314,595</u>	<u>714,462</u>	<u>16,114</u>
Total Workforce Innovation and Opportunity Act (WIOA) Cluster				<u>15,235,586</u>	<u>573,696</u>	<u>7,339,908</u>	<u>8,688,906</u>	<u>1,922,694</u>	<u>806,129</u>
Employment Service Cluster:									
Wagner Peyser Military Family Employment Advocacy Program ***	07/01/2024-06/30/2025	WPB23	17.207	69,163	-	69,163	69,163	-	-
Wagner Peyser Apprenticeship Navigator ***	07/01/2024-06/30/2025	WPB25	17.207	96,000	-	90,385	96,000	5,615	-
Wagner Peyser Hope Florida - A Pathway to Promise ***	06/01/2023-08/31/2025	WPB24	17.207	62,684	2,083	59,025	56,986	44	-
Wagner Peyser Hope Florida - Navigator ***	07/01/2024-06/30/2025	WPB25	17.207	31,728	-	31,728	31,728	-	-
Wagner Peyser ***	07/01/2023-09-30/2024	WPA24	17.207	1,347,732	105,391	537,367	431,976	-	-
Wagner Peyser ***	07/01/2024-09-30/2025	WPA25	17.207	1,193,765	-	899,154	599,971	(299,183)	-
				<u>2,801,072</u>	<u>107,474</u>	<u>1,686,822</u>	<u>1,285,824</u>	<u>(293,524)</u>	<u>-</u>
Veterans Program-Disabled Veterans ***	10/01/2023-12/31/2025	DVP24	17.801	154,206	(4,168)	48,893	53,061	-	-
Veterans Program-Disabled Veterans ***	10/01/2024-10/31/2025	DVP25	17.801	104,788	-	88,192	52,913	(35,279)	-
Veterans Program-Local Veterans Employment Representative ***	10/01/2023-12/31/2025	LVR24	17.801	79,162	15,461	29,859	14,398	-	-
Veterans Program-Local Veterans Employment Representative ***	10/01/2024-10/31/2025	LVR25	17.801	68,195	-	39,760	33,845	(5,915)	-
Veterans Program-Veterans Incentives ***	09/16/2024-09/30/2024	VPI24	17.801	11,875	-	11,875	11,875	-	-
				<u>418,226</u>	<u>11,293</u>	<u>218,579</u>	<u>166,092</u>	<u>(41,194)</u>	<u>-</u>
Total Employment Service Cluster				<u>3,219,298</u>	<u>118,767</u>	<u>1,905,401</u>	<u>1,451,916</u>	<u>(334,718)</u>	<u>-</u>
Total U.S. Department of Labor				<u>19,549,335</u>	<u>691,487</u>	<u>9,749,471</u>	<u>10,667,096</u>	<u>1,608,953</u>	<u>806,129</u>
U.S. Department of Health and Human Services									
Passed through the Florida Department of Economic Opportunity									
Welfare Transition Program	10/01/2023-08/31/2024	WTS24	93.558	3,982,438	625,167	1,454,500	829,333	-	2,487
Welfare Transition Program	07/01/2024-11/30/2024	WTS24	93.558	901,017	-	901,017	901,017	-	10,204
Welfare Transition Program	10/01/2024-08/31/2025	WTS25	93.558	3,084,096	-	2,438,857	2,916,098	477,241	19,619
Total U.S. Department of Health and Human Services				<u>7,967,551</u>	<u>625,167</u>	<u>4,794,374</u>	<u>4,646,448</u>	<u>477,241</u>	<u>32,310</u>
Total Federal Awards				<u>\$ 28,159,319</u>	<u>\$ 1,344,184</u>	<u>\$ 14,852,894</u>	<u>\$ 15,644,925</u>	<u>\$ 2,136,056</u>	<u>\$ 838,439</u>

\*\*\* Selected as a major program for the Federal Single Audit  
See notes to schedule of expenditures of federal awards.

**First Coast Workforce Development, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of First Coast Workforce Development, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures are recognized following the cost principles contained in the Uniform Guidance.

First Coast Workforce Development, Inc. did not elect to use the 10 percent de minimis indirect cost rate.

**NOTE 3- RECONCILIATION OF FINANCIAL RECORDS TO THE DEPARTMENT OF ECONOMIC OPPORTUNITY'S SUBRECIPIENT ENTERPRISE RESOURCE APPLICATION (SERA)**

The year-to-date grant expenditure totals reported in First Coast Workforce Development, Inc.'s financial statements are reconciled to SERA report totals. Differences between the amounts reported in the Board's financial records and the reported totals in SERA occur frequently, since additional costs, from invoices received after the due dates of SERA reports, may be recognized in the financial statements in accordance with the Board's normal month-end closing procedures.

## **ADDITIONAL REPORTS**



## Powell and Jones CPA

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Lake City, FL 32025  
Phone 386.755.4200

### **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**

January 16, 2026  
To the Board of Directors  
First Coast Workforce Development, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of First Coast Workforce Development, Inc. (the Board) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated January 16, 2026.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board'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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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.

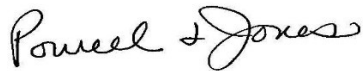
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **Compliance**

As part of obtaining reasonable assurance about whether the Board'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 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 that is 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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL and JONES CPA  
Lake City, Florida  
January 16, 2026



## Powell and Jones CPA

1359 S.W. Main Blvd.  
Lake City, FL 32025  
Phone 386.755.4200

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

January 16, 2026  
To the Board of Directors  
First Coast Workforce Development, Inc.

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

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

We have audited First Coast Workforce Development, Inc.'s (the Board's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2025. The Board'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 Board 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 the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and 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 Board 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 Board's compliance with the compliance requirements referred to above.

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***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 Board'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 Board'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 Board'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 Board'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 Board'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 Board'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 and JONES CPA  
Lake City, Florida  
January 16, 2026

**First Coast Workforce Development, Inc.  
 Schedule of Findings and Questioned Costs  
 For the 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
● Reportable condition identified not considered to be a material weakness?	No
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
● Material weakness(es) identified?	No
● Reportable condition identified not considered to be a material weakness?	No
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:

<u>Assistance Listing Number</u>	<u>Name of Program or Cluster</u>
17.207, 17.801	Employment Service Cluster
17.258, 17.259, 17.278	WIOA Cluster

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

(Continued)

**First Coast Workforce Development, Inc.  
Schedule of Findings and Questioned Costs (concluded)  
For the Year Ended June 30, 2025**

**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



## Powell and Jones CPA

1359 S.W. Main Blvd.  
Lake City, FL 32025  
Phone 386.755.4200

### Management Letter

January 16, 2026  
To the Board of Directors  
First Coast Workforce Development, Inc.

In planning and performing our audit of the financial statements of First Coast Workforce Development, Inc. (the Board) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the Board'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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 Board's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be significant.

#### *Other Matters – Internal Controls Enhancement*

During the year, management considered matters identified in a separate forensic review related to (1) documentation of review and approval over certain disbursements and (2) segregation of duties within certain finance functions. These matters were not identified as deficiencies in internal control in connection with our audit; however, management and those charged with governance discussed them as opportunities to further strengthen internal control and documentation.

Management has documented the internal control procedures currently in place and has developed additional procedures that are expected to be implemented to strengthen (a) evidence of review and approval prior to processing disbursements, including review for accuracy and appropriate cost allocation, (b) independent review over vendor master file changes and disbursement activity, and (c) independent review and approval of non-system-generated journal entries. Management believes these enhancements, once implemented and operating effectively, are designed to mitigate the risks noted in the forensic review.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Board, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Powell & Jones". The signature is written in a cursive, flowing style.

POWELL and JONES CPA  
Lake City, Florida  
January 16, 2026



## **Powell and Jones CPA**

1359 S.W. Main Blvd.  
Lake City, FL 32025  
Phone 386.755.4200

### **Communication with Those Charged with Governance**

To the Board of Directors  
First Coast Workforce Development, Inc.

We have audited the financial statements of First Coast Workforce Development, Inc. (the Board) 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.

#### **Significant Audit Findings**

##### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Board are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit 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 the Board's 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, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, which 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 16, 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 governmental unit'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 governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

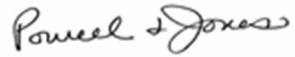
As part of our communications with those charged with governance, we understand that management has considered matters identified in a separate forensic review related to documented oversight over certain disbursements and segregation of duties within certain finance functions. These matters did not affect our audit results or our opinion on the financial statements. We discussed with management the control enhancements that are planned to strengthen (a) documented review and approval prior to disbursement processing (including accuracy and cost allocation), (b) independent review over vendor master file maintenance and payment processing, and (c) independent review and approval of non-system-generated journal entries, along with compensating controls where segregation of duties is limited.

### ***Other Matters***

We applied certain limited procedures to the management discussion and analysis and the budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of the Board of Directors and management of First Coast Workforce Development, Inc., and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Powell & Jones".

**Powell & Jones CPA**  
Lake City, Florida  
January 16, 2026