

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2025**

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 7
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position (Deficit)	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet – Governmental Funds	10
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position (Deficit)	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	13
Notes to Financial Statements	14 - 30
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	31
Notes to Required Supplementary Information	32
Schedule of Proportionate Share of Net Pension Liability – FRS	33
Schedule of Consortium's Contributions – FRS	34
Schedule of Consortium's Total OPEB Liability	35
OTHER INFORMATION	
Data Elements required by FL Statute 218.39 (3)(c)	36
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 <i>GOVERNMENT AUDITING STANDARDS</i>	37 - 38
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	39
MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	40 - 41



## INDEPENDENT AUDITOR'S REPORT

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To the Honorable Mayors and County Commissioners  
Palm Beach Workforce Development Consortium  
Palm Beach County, Florida

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and the major fund of Palm Beach Workforce Development Consortium, Palm Beach County, Florida ("Consortium") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Consortium'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 each major fund of the Consortium, as of September 30, 2025, and the respective changes in financial position thereof for the fiscal 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 Consortium, 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 Consortium'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,

## **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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 general accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consortium'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 Consortium'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, schedule of proportionate share of net pension liability, schedule of pension contributions, schedule of changes in the Consortium's net OPEB liability and related ratio 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.

### **Other Information**

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39(3)(c), but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026, on our consideration of the Consortium's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Consortium'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 Consortium's internal control over financial reporting and compliance.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
January 30, 2026

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Palm Beach Workforce Development Consortium, Palm Beach County, Florida ("Consortium") provides a narrative overview of the Consortium's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the Consortium's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The liabilities plus deferred inflows of resources of the Consortium exceeded its assets plus deferred outflows of resources at the close of the most recent fiscal year resulting in a net position deficit balance of (\$5,741,082).
- The change in the Consortium's total net position in comparison with the prior fiscal year was an increase of \$672,690. The key components of the Consortium's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2025, the Consortium's governmental fund reported ending fund balance of \$270,741, an increase of \$13,369 in comparison with the prior fiscal year. The total fund balance is unassigned fund balance which is available for spending at the Consortium's discretion.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as the introduction to the Consortium's basic financial statements. The Consortium's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Consortium's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the Consortium's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Consortium is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by employment contract revenues. The Consortium does not have any business-type activities. The governmental activities of the Consortium include the general government (employment management) function.

## OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Consortium, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Consortium has one fund category: governmental funds.

### Governmental Funds

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

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

The Consortium maintains one governmental fund for external reporting. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered a major fund.

The Consortium adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

### Notes to Financial Statements

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Consortium, liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources at the close of the most recent fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Key components of the Consortium's net position are reflected in the following table:

NET POSITION (DEFICIT) SEPTEMBER 30,		
	2025	2024
Current and other assets	\$ 529,668	\$ 562,222
Total assets	<u>529,668</u>	<u>562,222</u>
Deferred outflows of resources	<u>825,107</u>	<u>1,259,886</u>
Current liabilities	258,927	304,850
Non-current liabilities	4,533,835	6,348,073
Total liabilities	<u>4,792,762</u>	<u>6,652,923</u>
Deferred inflows of resources	<u>2,303,095</u>	<u>1,582,957</u>
Net position (deficit)		
Unrestricted	<u>(5,741,082)</u>	<u>(6,413,772)</u>
Total net position (deficit)	<u>\$ (5,741,082)</u>	<u>\$ (6,413,772)</u>

The Consortium's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program revenues exceeded the cost of operations, including pension and OPEB expenses.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2025	2024
Revenues:		
Program revenues:		
Charges for services	\$ 7,479,479	\$ 8,211,329
Total revenues	<u>7,479,479</u>	<u>8,211,329</u>
Expenses:		
Governmental activities:		
General government	<u>6,806,789</u>	<u>7,970,837</u>
Total expenses	<u>6,806,789</u>	<u>7,970,837</u>
Change in net position	672,690	240,492
Net position (deficit) - beginning	<u>(6,413,772)</u>	<u>(6,654,264)</u>
Net position (deficit) - ending	<u>\$ (5,741,082)</u>	<u>\$ (6,413,772)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2025 was \$6,806,789. The costs of the Consortium's activities were primarily funded by program revenues, comprised of employment contract revenues. Expenses decreased primarily due to decreased staffing levels, resulting in a decrease in related revenues.

## GENERAL FUND BUDGETING HIGHLIGHTS

A comparison of the actual results compared to the final budget is presented in the required supplementary information. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2025.

## CAPITAL ASSETS AND LIABILITY ADMINISTRATION

### Capital Assets

At September 30, 2025, the Consortium had no capital assets for its governmental activities.

### Long-Term Liabilities

At September 30, 2025, the Consortium had a compensated absences liability of \$271,938. The Consortium also reported net pension liability and net OPEB liability of \$4,242,014 and \$19,883, respectively. More detailed information about the Consortium's long-term liabilities is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The availability of resources for the Consortium is entirely dependent upon the budgetary resources available through the primary funding source, CareerSource Palm Beach County, Inc. The fiscal year 2026 Budget for CareerSource Palm Beach County, Inc. projects a decrease in expected revenues and expenditures in the Consortium for fiscal year 2026 attributed to staffing reductions.

## CONTACTING THE CONSORTIUM'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Consortium's finances and to demonstrate the Consortium's accountability for the financial resources it manages. If you have questions about this report or need additional financial information, contact the Palm Beach Workforce Development Consortium's Finance Department at 3400 Belvedere Road, West Palm Beach, FL 33406.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
STATEMENT OF NET POSITION (DEFICIT)  
SEPTEMBER 30, 2025**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 194,749
Accounts receivable	334,919
	<hr/>
Total assets	529,668
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension	821,803
OPEB	3,304
	<hr/>
Total deferred outflows of resources	825,107
	<hr/>
<b>LIABILITIES</b>	
Accounts payable	20,083
Accrued liabilities	238,844
Noncurrent liabilities:	
Due in one year:	
Compensated absences	271,938
Due in more than one year:	
Net pension liability	4,242,014
Net OPEB liability	19,883
	<hr/>
Total liabilities	4,792,762
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension	2,303,095
	<hr/>
Total deferred inflows of resources	2,303,095
	<hr/>
<b>NET POSITION (DEFICIT)</b>	
Unrestricted	(5,741,082)
	<hr/>
Total net position (deficit)	<u>\$ (5,741,082)</u>

See notes to the financial statements

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position	Total
Governmental activities:			Governmental Activities	
General government	\$ 6,806,789	\$ 7,479,479	\$ 672,690	\$ 672,690
Total governmental activities	<u>6,806,789</u>	<u>7,479,479</u>	<u>672,690</u>	<u>672,690</u>
			672,690	672,690
			<u>(6,413,772)</u>	<u>(6,413,772)</u>
			<u>\$ (5,741,082)</u>	<u>\$ (5,741,082)</u>

See notes to the financial statements

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2025**

	General	Total Governmental Funds
<b>ASSETS</b>		
Cash	\$ 194,749	\$ 194,749
Accounts receivable	334,919	334,919
Total assets	\$ 529,668	\$ 529,668
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 20,083	\$ 20,083
Accrued expenses	238,844	238,844
Total liabilities	258,927	258,927
Fund balance:		
Unassigned	270,741	270,741
Total fund balance	270,741	270,741
Total liabilities and fund balances	\$ 529,668	\$ 529,668

See notes to the financial statements

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION (DEFICIT)  
SEPTEMBER 30, 2025**

Fund balances - governmental funds	\$	270,741
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Amounts reported for governmental activities in the statement of net position are different because:

Deferred outflows of resources related to pensions and OPEB are recorded in the statement of net position.		825,107
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Deferred inflows of resources related to pensions are recorded in the statement of net position.		(2,303,095)
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Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Net OPEB liability		(19,883)
Net pension liability		(4,242,014)
Compensated absences		<u>(271,938)</u>

Net position (deficit) of governmental activities	\$	<u><u>(5,741,082)</u></u>
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See notes to the financial statements

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	General	Total Governmental Funds
<b>REVENUES</b>		
Employment contract revenues	\$ 7,479,479	\$ 7,479,479
Total revenues	7,479,479	7,479,479
<b>EXPENDITURES</b>		
Current:		
Salaries and wages	5,230,322	5,230,322
Taxes and fringe benefits	2,207,679	2,207,679
Professional fees	28,109	28,109
Total expenditures	7,466,110	7,466,110
Excess (deficiency) of revenues over (under) expenditures	13,369	13,369
Fund balance - beginning	257,372	257,372
Fund balance - ending	\$ 270,741	\$ 270,741

See notes to the financial statements

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Net change in fund balances - total government funds	\$	13,369
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Amounts reported for governmental activities in the statement of activities are different because:

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The details of the differences are as follows:

Pension income		678,432
OPEB expense		(4,481)
Change in compensated absences		<u>(14,630)</u>
 Change in net position of governmental activities	 \$	 <u><u>672,690</u></u>

See notes to the financial statements

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM**  
**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Palm Beach Workforce Development Consortium ("Consortium") was implemented on November 1, 2007 pursuant to Chapter 189, Florida Statutes, as an independent special district. The Consortium was specifically created by an Interlocal Agreement in July 2007 pursuant to Chapter 163, Florida Statutes to provide the Board of County Commissioners of Palm Beach County with a means of carrying out their responsibilities as required by the Workforce Investment Act of 1998, as amended, and the Florida Workforce innovation Act of 2000.

The Consortium is governed by five members representing the parties to the Interlocal Agreement.

**Relationship with affiliate** - The Consortium, pursuant to Section 163.01(7) of Chapter 163, Florida Statutes, provides all of the personnel and acts as the employer of record for the employees of its affiliate, CareerSource Palm Beach County, Inc., a non-profit Florida corporation and 501(c)(3) organization. These employment contract transactions comprise all of the Consortium's financial activities for the year ended September 30, 2025. CareerSource Palm Beach County, Inc., whose fiscal year ends June 30, operates and implements workforce and welfare programs as well as related programs in Palm Beach County, Florida. CareerSource Palm Beach County, Inc. has been designated by the Consortium as the grant recipient and administrative entity for all WIOA (Workforce Innovation and Opportunity Act), Wagner-Peyser, and TANF (Temporary Assistance for Needy Families) grants and other job training related grants for Regional Workforce Board # 21.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the Consortium is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the Consortium are such that, if excluded, the financial statements of the Consortium would be considered incomplete or misleading. There are no entities considered to be component units of the Consortium; therefore, the financial statements include only the operations of the Consortium.

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

**Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges to its affiliate. Other items not included among program revenues are reported instead as *general revenues*.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

The Consortium reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the Consortium. It is used to account for all financial resources except those required to be accounted for in another fund.

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

**Assets, Liabilities and Net Position or Fund Balance**

Restricted Assets

These assets represent cash and investments set aside pursuant to contractual restrictions.

Deposits

The Consortium's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

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.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Compensated Absences

The Consortium follows GASB 101, *Compensated Absences*. The Consortium's employees are granted compensated absence pay for vacation and sick leave in varying amounts based on length of service. The Consortium's sick leave and vacation policies permit employees to accumulate earned but unused sick pay and vacation benefits although limited to certain maximums. All sick and vacation leave is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Liability for accrued compensated absences of the governmental activities is not reported in the balance sheet of the governmental funds and, accordingly, represents a reconciling item between the fund and government-wide presentations.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Assets, Liabilities and Net Position or Fund Balance (continued)**

Fund Balance/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The Consortium can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The Consortium first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the Consortium's bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

**Budgets and Budgetary Accounting**

Budgets are prepared annually for the General Fund in accordance with the Consortium's procedures. The Consortium is entirely dependent on the resources of CareerSource Palm Beach County, Inc. ("CSPBC"), and the budget is established in conjunction with the development of the annual budget of CareerSource Palm Beach County, Inc. That overall budget is approved by the boards of both the CSPBC and the Consortium prior to being presented for approval by the Palm Beach County Board of Commissioners. The Consortium is not required to submit its budget to any regulatory agencies.

Appropriations are controlled at the object level (salaries, payroll taxes, and fringe benefits) within each activity (e.g., personnel services and administration) and may be amended at any Board meeting prior to the due date of the annual financial report. Budgets are prepared using the same modified accrual basis as is used to account for actual transactions.

**Other Disclosures**

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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM**  
**PALM BEACH COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2025**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Other Disclosures (continued)**

Recent GASB implementation

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB 102 enhanced transparency by requiring disclosures about risks related to a government’s vulnerabilities due to certain concentrations or constraints. A concentration refers to a lack of diversity in significant inflows or outflows of resources, while a constraint is a limitation imposed by external parties or formal action of the government’s highest decision-making authority. The Statement required disclosure when such conditions make the government vulnerable to a substantial impact and when related events have occurred, begun to occur, or are more likely than not to occur within 12 months of the issuance of the financial statements. The provisions of GASB 102 were implemented in the fiscal year ended September 30, 2025. The adoption of this standard had no significant impact on the Consortium’s financial statements.

New GASB pronouncements

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. GASB 103 aims to enhance the effectiveness of the financial reporting model by improving key components such as Management’s Discussion and Analysis (MD&A), the presentation of proprietary fund statements, and the reporting of unusual or infrequent items. It also introduces standardized definitions for operating and nonoperating revenues and expenses, and requires separate presentation of major component units and budgetary comparison information as required supplementary information (RSI). The provisions of GASB 103 are effective for fiscal years beginning after June 15, 2025 and will be implemented in the year ended September 30, 2026. The Consortium is evaluating the effect of this new standard on its financial statements.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB 104 enhances transparency by requiring separate disclosures of specific types of capital assets in the notes to financial statements. These include lease assets (GASB 87), intangible right-to-use assets (GASB 94), subscription-based IT assets (GASB 96), and other intangible assets, all disclosed by major class. Additionally, GASB 104 introduces disclosure requirements for capital assets held for sale - defined as assets the government has decided to sell and for which it is probable the sale will be finalized within one year of the financial statement date. Governments must disclose the historical cost, accumulated depreciation, and any related debt for which such assets are pledged as collateral. The provisions of GASB 104 are effective for fiscal years beginning after June 15, 2025 and will be implemented in the year ended September 30, 2026. The Consortium is evaluating the effect of this new standard on its financial statements.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**Deposits**

The Consortium's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

**Investments**

The Consortium had no investments at September 30, 2025.

**NOTE 4 – LONG-TERM LIABILITIES**

Changes in long-term liability activity for the fiscal year ended September 30, 2025 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
<u>Governmental activities</u>					
Net pension liability	\$ 6,073,395	\$ -	\$ 1,831,381	\$ 4,242,014	\$ -
Net OPEB liability	17,370	2,513	-	19,883	-
Compensated absences	257,308	505,240	490,610	271,938	271,938
	<u>\$ 6,348,073</u>	<u>\$ 507,753</u>	<u>\$ 2,321,991</u>	<u>\$ 4,533,835</u>	<u>\$ 271,938</u>

**NOTE 5 – RELATED PARTY TRANSACTIONS AND CONCENTRATION**

The Consortium's only source of revenue is from employment contract activities with its affiliate, CareerSource Palm Beach County, Inc. The Consortium's activity is dependent upon the continued involvement of the affiliate, the loss of which could have a material adverse effect on the Consortium's operations.

For the current fiscal year, employment contract revenues were \$7,479,479, of which \$334,919 is a receivable at September 30, 2025.

**NOTE 6 – RETIREMENT PLAN**

**Florida Retirement System (FRS)**

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN (continued)**

**Florida Retirement System (FRS) (continued)**

Essentially all regular employees of the Consortium are eligible to enroll as members of the FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The Consortium recognized total pension income of \$62,475 for the fiscal year ended September 30, 2025.

**FRS Pension Plan**

*Plan Description* – The FRS Pension Plan (Plan) is a cost-sharing, multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

The classes of membership within the Consortium are as follows:

- Regular Class – Member of the FRS who do not qualify for membership in another class.
- Senior Management Service Class – Members in senior management level positions.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN (continued)**

**FRS Pension Plan (continued)**

*Benefits Provided* – Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation (AFC). For members initially enrolled before July 1, 2011, the AFC is the average of the five highest fiscal years’ earnings; for members initially enrolled on or after July 1, 2011, the AFC is the average of the eight highest fiscal years’ earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors’ benefits.

The following chart shows the percentage value for each year of service credit earned:

<b>Class, Initial Enrollment , and Retirement Age/Years of Service</b>	<b>% Value</b>
<b>Regular Class members initially enrolled before July 1, 2011</b>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
<b>Regular Class members initially enrolled on or after July 1, 2011</b>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
<b>Senior Management Service Class</b>	<b>2.00</b>

Per Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN (continued)**

**FRS Pension Plan (continued)**

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2025 fiscal year were as follows:

Class	Percent of Gross Salary October 1, 2024 to June 30, 2025		Percent of Gross Salary July 1, 2025 to September 30, 2025	
	Employee	Employer (1)	Employee	Employer (1)
FRS, Regular	3.00	13.63	3.00	14.03
FRS, Senior Management Service Class	3.00	34.52	3.00	33.24
DROP, Applicable to all members in the above classes	0.00	21.13	0.00	22.02

(1) Except for the DROP, employer rates include a postemployment HIS contribution rate of 2.00% for October 1, 2024 through September 30, 2025. Also, employer rates include .06% for administrative costs of the Investment plan.

The Consortium's contributions to the Plan totaled \$635,782 for the fiscal year ended September 30, 2025. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the Consortium reported a liability of \$2,732,807 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The Consortium's proportionate share of the net pension liability was based on the Consortium's contributions for the year ended June 30, 2025 relative to the contributions made during the year ended June 30, 2024 of all participating members. At June 30, 2025, the Consortium's proportionate share was .00881% percent, an immaterial change from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025 the Consortium recognized pension expense of \$75,527 related to the Pension Plan. In addition, the Consortium reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 291,893	\$ -
Change of assumptions	317,350	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(456,270)
Changes in proportion and differences between Consortium FRS contributions and proportionate share of FRS contributions	26,277	(807,402)
Consortium FRS contributions subsequent to the measurement date	128,030	-
Total	<u>\$ 763,550</u>	<u>\$ (1,263,672)</u>

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN (continued)**

**FRS Pension Plan (continued)**

The deferred outflows of resources related to pensions, totaling \$128,030, resulting from Consortium contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. The net amount of the remaining deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<b>Year Ending September 30:</b>	<b>Amount</b>
2026	\$ 224,832
2027	(321,173)
2028	(335,610)
2029	(196,201)
Total	<u>\$ (628,152)</u>

**Actuarial Assumptions** – The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Discount rate	6.70%

Mortality rates were based on the PUB-2010 base table which varies by member category and sex, projected generationally. The most recent experience study for the FRS Pension Plan was completed in 2024 for the period July 1, 2018, through June 30, 2023. The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method.

The long-term expected rate of return on pension plan investments was not based on historical returns but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions from Milliman's model combined with the FRS Actuarial Assumption Conference's 2.4 percent inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation (1)</b>	<b>Annual Arithmetic Return</b>	<b>(Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
Total	<u>100.0%</u>			
Assumed inflation - mean			2.4%	1.5%

(1) As outlined in the Plan's investment policy

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN (continued)**

**FRS Pension Plan (continued)**

*Discount Rate* – The discount rate used to measure the total pension liability was 6.70%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

*Sensitivity of the Consortium’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate* – The following presents the Consortium’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Consortium’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

	1% Decrease	Current Discount Rate Assumption	1% Increase
	5.70%	6.70%	7.70%
Net Pension Liability	\$ 5,363,092	\$ 2,732,807	\$ 527,614

*Pension Plan Fiduciary Net Position* – Detailed information about the Plan’s fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

*Payables to the Pension Plan* – At September 30, 2025, the Consortium reported a payable of \$40,403, (including employee contributions), for the outstanding amount of contributions to the Plan required for the fiscal year ended September 30, 2025.

**HIS Pension Plan**

*Plan Description* – The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

*Benefits Provided* – For the fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

*Contributions* – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2025, the contribution rate was 2.00% of payroll pursuant to section 112.363, Florida Statutes. The Consortium contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN (continued)**

**HIS Pension Plan (continued)**

The Consortium’s contributions to the HIS Plan totaled \$103,785 (including the Investment Plan) for the fiscal year ended September 30, 2025.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – At September 30, 2025, the Consortium reported a net pension liability of \$1,509,207 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The Consortium’s proportionate share of the net pension liability was based on the year ended June 30, 2025 contributions relative to the year ended June 30, 2024 contributions of all participating members. At June 30, 2025, the Consortium’s proportionate share was .01178%, which was a decrease of .00218% from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025 the Consortium recognized pension income of \$138,002 related to the HIS Plan. In addition, the Consortium reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 9,009	\$ (2,394)
Change of assumptions	13,358	(365,038)
Net difference between projected and actual earnings on HIS pension plan investments	-	(1,256)
Changes in proportion and differences between Consortium HIS contributions and proportionate share of HIS contributions	10,041	(670,735)
Consortium HIS contributions subsequent to the measurement date	25,845	-
Total	<u>\$ 58,253</u>	<u>\$ (1,039,423)</u>

The deferred outflows of resources related to pensions, totaling \$25,845 resulting from Consortium contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. The net amount of the remaining deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<b>Year Ending September 30:</b>	<b>Amount</b>
2026	\$ (238,487)
2027	(253,344)
2028	(222,130)
2029	(186,690)
2030	(106,364)
Total	<u>\$ (1,007,015)</u>

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN (continued)**

**HIS Pension Plan (continued)**

*Actuarial Assumptions* – The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Discount rate	5.20%

Mortality rates were based on the PUB-2010 base table which varies by member category and sex, projected generationally. The HIS valuation is based on certain results of the most recent experience study for the FRS Pension Plan, which was completed in 2024 for the period July 1, 2018, through June 30, 2023.

*Discount Rate* – The discount rate used to measure the total pension liability was 5.20%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

*Sensitivity of the Consortium’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* – The following presents the Consortium’s proportionate share of the net pension liability calculated using the discount rate of 5.20%, as well as what the Consortium’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current rate:

	1% Decrease	Current Discount Rate Assumption	1% Increase
	4.20%	5.20%	6.20%
Net Pension Liability	<u>\$ 1,701,873</u>	<u>\$ 1,509,207</u>	<u>\$ 1,347,620</u>

*Pension Plan Fiduciary Net Position* – Detailed information about the HIS Plan’s fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

*Payables to the Pension Plan* – At September 30, 2025, the Consortium reported a payable of \$4,336 for the outstanding amount of contributions to the HIS Plan required for the fiscal year ended September 30, 2025.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 6 – RETIREMENT PLAN (continued)**

**FRS – Defined Contribution Pension Plan**

The Consortium contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA and is reported in the SBA’s annual financial statements and in the State of Florida Annual Comprehensive Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement. The report can be found at <http://www.myfloridacfo.com/Division/AA/Reports/>.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Consortium employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Local Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment member’s accounts during the 2025 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	8.30%
FRS, Senior Management Service Class	9.67%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS covered employment within the five year period, the employee will regain control over their account. If the employee does not return within the five year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of .06 percent from October 1, 2024 – September 30, 2025 of payroll and by forfeited benefits of Investment Plan members.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Consortium’s Investment Plan contributions totaled \$342,527 for the fiscal year ended September 30, 2025.

*Payables to the Investment Plan* – At September 30, 2025, the Consortium reported a payable of \$18,585 for the outstanding amount of contributions to the Investment Plan required for the fiscal year ended September 30, 2025.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 7 – DEFERRED COMPENSATION PLAN**

The Consortium has a deferred compensation plan, created in accordance with Section 457 of the Internal Revenue Code, and in which all employees may voluntarily elect to participate. The plan permits eligible participants to defer a portion of their salary until future years. Effective December 1, 2015, participants are eligible on the first day of the month following 60 days of service. Prior to this, participants were eligible three months after service. There are no employer contributions made to the 457 plan. The deferred compensation is not available to participating employees until termination, retirement, death, or unforeseeable emergency. Because the plan assets are held in trust for the exclusive benefit of plan participants and their beneficiaries, the plan is not accounted for in the Consortium's financial statements. During the year ended September 30, 2025, employees contributed \$9,220 to the plan.

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS**

Pursuant to Section 112.081, Florida Statutes, the Consortium is required to permit eligible retirees and their eligible dependents to participate in the Consortium's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. The Consortium does not provide retirees with any subsidy for this benefit.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

Plan Description: The plan is a single-employer, defined benefit healthcare plan administered by the Consortium. The Plan allows employees who retire and meet retirement eligibility under the Florida Retirement System to continue medical insurance coverage as a participant in the Consortium's plan. The Plan does not issue a separate financial statement and required supplementary information.

Benefits Provided: The Plan provides healthcare for retirees, their spouses, and their dependents. All retiree and dependent coverage is at the expense of the retiree.

Employees covered by the benefit term: At September 30, 2025, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	-
Active employees	72
	<u>72</u>

Funding Policy: The Plan is a pay-as-you-go plan, therefore any contributions to plan are assumed to be benefits paid to retirees and administrative expenses.

Contributions: The retiree contributes the premium cost each month. Spouses and other dependents are also eligible for coverage, although the retiree pays the full cost of the premium. The Consortium does not subsidize member premiums.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (continued)**

Actuarial Assumptions: The total OPEB liability at September 30, 2025 was determined using the following actuarial assumptions:

Valuation date	September 30, 2023
Measurement date	September 30, 2024
Inflation	2.50%
Healthcare cost trend rates	6.75% in fiscal 2025, grading down to the ultimate trend rate of 4.0% in fiscal 2075
Salary increases	2.50% per annum
Discount rate	4.06%. Based on September 30, 2024 S&P Municipal Bond 20 Year High Grade Rate Index
Retirement rates	100% at normal retirement eligibility, but no earlier than age 62
Funding method	Entry age cost method (level % of pay)
Termination rates	<u>Age % remaining employed until assumed retirement age</u> 20 29.60% 30 59.30% 40 84.10% 50 100%
	Employees pay 100% of active premium rate. Employer pays remaining claim amounts
Healthcare participation	5% participation assumed, with 50% electing spouse coverage
Marital status	100% assumed married, with male spouses 3 years older than female spouses
Mortality rate	PubG-2010 Mortality Table projected to the valuation date using MP-2019

Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the total OPEB liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB expense.

Discount Rate: Given the Consortium's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.06%. The high-quality municipal bond rate was based on the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal Bond 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard & Poor's Rating Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest is used.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (continued)**

Changes in the total OPEB liability during the fiscal year ended September 30, 2025 were as follows:

	Increase (Decrease) in Total OPEB Liability
Total OPEB liability at 9/30/2024	\$ 17,370
Changes for the year:	
Service cost	1,082
Interest	871
Changes in assumptions	1,732
Benefit payments	(1,172)
Net changes	2,513
Total OPEB liability at 9/30/2025	\$ 19,883

For the fiscal year ended September 30, 2025, the Consortium recognized OPEB income of \$4,481. In addition, the Consortium reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>Description</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ -
Changes in assumptions	-
Employer contributions subsequent to measurement date	3,304
Total	\$ 3,304

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in the subsequent fiscal year.

Sensitivity of the net OPEB asset to changes in the discount rate and health-care cost trend rates- The following presents the net OPEB asset of the Consortium, as well as what the Consortium's net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (3.06%) or 1-percentage-point higher (5.06%) than the current discount rate:

	<b>1% Decrease (3.06%)</b>	<b>Discount Rate (4.06%)</b>	<b>1% Increase (5.06%)</b>
Total OPEB Liability (Asset)	\$ 22,403	\$ 19,883	\$ 17,778

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (continued)**

Sensitivity of the net OPEB asset to the changes in the healthcare cost trend rates- The following presents the net OPEB asset of the Consortium, as well as what the Consortium’s net OPEB asset would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.0% - 6.0%) or 1-percentage-point higher (5.0% - 8.0%) than the current healthcare cost trend rates:

	<b>1% Decrease (3.0% - 6.0%)</b>	<b>Healthcare Cost Trend Rates (4.0% - 7.0%)</b>	<b>1% Increase (5.0% - 8.0%)</b>
Total OPEB Liability (Asset)	\$ 17,346	\$ 19,883	\$ 23,002

**NOTE 9 – RISK MANAGEMENT**

The Consortium is exposed to various risks of loss related to employment matters. The Consortium carried insurance through the Florida League of Cities, Inc. or through its relationship with CareerSource Palm Beach County, Inc. with various commercial carriers, to mitigate the costs of these risks; coverage may not extend to all situations. There were settled claims that were below the threshold for insurance coverage during the past three years.

**NOTE 10 – SUBSEQUENT EVENTS**

In accordance with GASB Codification Section 2250.106, the Consortium has evaluated subsequent events and transactions for potential recognition or disclosure through January 30, 2026 which is the date the financial statements were available to be issued.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts <u>Original &amp; Final</u>	<u>Actual</u>	Variance with Final Budget
<b>REVENUES</b>			
Employment contract revenues	\$ 8,600,740	\$ 7,479,479	\$ (1,121,261)
Total revenues	<u>8,600,740</u>	<u>7,479,479</u>	<u>(1,121,261)</u>
<b>EXPENDITURES</b>			
Current:			
Salaries and wages	5,996,310	5,230,322	765,988
Tax and fringe benefits	2,534,430	2,207,679	326,751
Professional fees	<u>70,000</u>	<u>28,109</u>	<u>41,891</u>
Total expenditures	<u>8,600,740</u>	<u>7,466,110</u>	<u>1,134,630</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>13,369</u>	<u>\$ 13,369</u>
Fund balance - beginning		<u>257,372</u>	
Fund balance - ending		<u>\$ 270,741</u>	

See notes to required supplementary information

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2025**

The Consortium is entirely dependent on the resources of CareerSource Palm Beach County, Inc. (“CSPBC”), and the budget is established in conjunction with the development of the annual budget of CSPBC. That overall budget is approved by the boards of both CSPBC and the Consortium prior to being presented for approval by the Palm Beach County Board of Commissioners. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

Appropriations are controlled at the object level (salaries, payroll taxes, and fringe benefits) within each activity (e.g., personnel services and administration) and may be amended at any Board meeting prior to the due date of the annual financial report. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2025.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

**Schedule of the Consortium's Proportionate Share of the Net Pension Liability -  
Florida Retirement System Pension Plan  
Last 10 Fiscal Years (1)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Consortium's proportion of the FRS net pension liability	0.008806%	0.010297%	0.012048%	0.012729%	0.012693%	0.012079%	0.012084%	0.012096%	0.013201%	0.011616%
Consortium's proportionate share of the FRS net pension liability	\$ 2,732,807	\$ 3,983,420	\$ 4,800,795	\$ 4,736,254	\$ 958,782	\$ 5,235,312	\$ 4,161,576	\$ 3,643,251	\$ 3,904,732	\$ 2,933,170
Consortium's covered payroll	5,260,660	5,900,199	6,411,125	6,245,183	6,505,537	6,579,080	6,154,952	6,093,095	6,253,677	5,455,351
Consortium's proportionate share of the FRS net pension liability as a percentage of its covered payroll	51.95%	67.51%	74.88%	75.84%	14.74%	79.58%	67.61%	59.79%	62.44%	53.77%
FRS plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

**Schedule of the Consortium's Proportionate Share of the Net Pension Liability -  
Health Insurance Subsidy Pension Plan  
Last 10 Fiscal Years (1)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Consortium's proportion of the HIS net pension liability	0.011775%	0.013932%	0.016183%	0.017024%	0.018366%	0.018956%	0.018392%	0.018655%	0.019547%	0.017572%
Consortium's proportionate share of the HIS net pension liability	\$ 1,509,207	\$ 2,089,975	\$ 2,570,007	\$ 1,803,071	\$ 2,252,839	\$ 2,314,500	\$ 2,057,866	\$ 1,974,486	\$ 2,090,097	\$ 2,047,694
Consortium's covered payroll	5,260,660	5,900,199	6,411,125	6,245,183	6,505,537	6,579,080	6,154,952	6,093,095	6,253,977	5,455,351
Consortium's proportionate share of the HIS net pension liability as a percentage of its covered payroll	28.69%	35.42%	40.09%	28.87%	34.63%	35.18%	33.43%	32.41%	33.42%	37.54%
HIS plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

(1) The amounts presented for each year were determined as the measurement date, June 30.

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

**Schedule of the Consortium's Contributions -  
Florida Retirement System Pension Plan  
Last 10 Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required FRS contribution	\$ 635,782	\$ 787,148	\$ 780,646	\$ 682,857	\$ 606,379	\$ 516,329	\$ 497,627	\$ 438,999	\$ 455,239	\$ 395,775
FRS contributions in relation to the contractually required contribution	\$ (635,782)	\$ (787,148)	\$ (780,646)	\$ (682,857)	\$ (606,379)	\$ (516,329)	\$ (429,627)	\$ (438,999)	\$ (455,239)	\$ (395,775)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,000	\$ -	\$ -	\$ -
Consortium's covered payroll	\$ 5,189,271	\$ 5,752,343	\$ 6,301,911	\$ 6,299,147	\$ 6,514,059	\$ 6,549,707	\$ 6,318,133	\$ 5,963,213	\$ 6,329,313	\$ 5,602,632
FRS contributions as a percentage of covered payroll	12.25%	13.68%	12.39%	10.84%	9.31%	7.88%	7.88%	7.36%	7.19%	7.06%

**Schedule of the Consortium's Contributions -  
Health Insurance Subsidy Pension Plan  
Last 10 Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required HIS contribution	\$ 103,785	\$ 115,047	\$ 109,750	\$ 104,556	\$ 108,133	\$ 108,725	\$ 104,861	\$ 98,989	\$ 105,067	\$ 93,004
HIS contributions in relation to the contractually required contribution	\$ (103,785)	\$ (115,047)	\$ (109,750)	\$ (104,556)	\$ (108,133)	\$ (108,725)	\$ (104,861)	\$ (98,989)	\$ (105,067)	\$ (93,004)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consortium's covered payroll	\$ 5,189,271	\$ 5,752,343	\$ 6,301,911	\$ 6,299,147	\$ 6,514,059	\$ 6,549,707	\$ 6,318,133	\$ 5,963,213	\$ 6,329,313	\$ 5,602,632
HIS contributions as a percentage of covered payroll	2.00%	2.00%	1.74%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

**Schedule of Changes in the Consortium's Total OPEB Liability and Related Ratios -  
Last 10 Fiscal Years (1)**

	2025	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 1,082	\$ 1,612	\$ 2,215	\$ 2,050	\$ 1,625	\$ 4,645	\$ 4,873	\$ 5,138
Expected interest growth	871	1,139	727	576	761	2,499	2,090	1,700
Demographic experience	-	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(3,264)	-	109	-	8,631	-	-
Changes of assumptions	1,732	(3,713)	(7,147)	1,349	4,032	(50,240)	(3,428)	(3,857)
Benefit payments	(1,172)	(1,312)	(1,220)	(1,219)	(1,134)	(983)	(904)	(831)
Net change in total OPEB liability	2,513	(5,538)	(5,425)	2,865	5,284	(35,448)	2,631	2,150
Total OPEB liability - beginning	17,370	22,908	28,333	25,468	20,184	55,632	53,001	50,851
Total OPEB liability - ending	<u>\$ 19,883</u>	<u>\$ 17,370</u>	<u>\$ 22,908</u>	<u>\$ 28,333</u>	<u>\$ 25,468</u>	<u>\$ 20,184</u>	<u>\$ 55,632</u>	<u>\$ 53,001</u>
Covered payroll	\$ 5,614,418	\$ 5,477,481	\$ 6,711,963	\$ 6,548,256	\$ 6,788,117	\$ 6,622,554	\$ 6,257,931	\$ 5,956,389
Total OPEB liability as a percentage of covered payroll	0.35%	0.32%	0.34%	0.43%	0.38%	0.30%	0.89%	0.89%

(1) GASB 75 requires information for 10 years. However, until a full ten-year trend is compiled, information will be presented for only those years which information is available.

**Notes to the Schedule:**

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal year ending:	Discount rate
9/30/2025	4.06%
9/30/2024	4.87%
9/30/2023	4.77%
9/30/2022	2.43%
9/30/2021	2.14%
9/30/2020	3.58%
9/30/2019	4.18%
9/30/2018	3.64%

**PALM BEACH WORKFORCE DEVELOPMENT CONSORTIUM  
PALM BEACH COUNTY, FLORIDA  
OTHER INFORMATION – DATA ELEMENTS  
REQUIRED BY FL STATUTE 218.39(3)(C)  
UNAUDITED**

Number of district employees compensated at 9/30/2025	69
Number of independent contractors compensated at 9/30/2025	2
Employee compensation for FYE 9/30/2025 (paid/accrued)	\$5,230,322
Independent contractor compensation for FYE 9/30/2025	\$31,605
Construction projects to begin on or after October 1; (>\$65K)	Not applicable
Budget variance report	See page 30
Ad Valorem taxes;	
Millage rate FYE 9/30/2025	Not applicable
Ad valorem taxes collected FYE 9/30/2025	Not applicable
Outstanding Bonds:	Not applicable
Non ad valorem special assessments;	
Special assessment rate FYE 9/30/2025	Not applicable
Special assessments collected FYE 9/30/2025	Not applicable
Outstanding Bonds:	Not applicable



**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**

**Partners**

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Joe M. Krusick  
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To the Honorable Mayors and County Commissioners  
Palm Beach Workforce Development Consortium  
Palm Beach County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Palm Beach Workforce Development Consortium, Palm Beach County, Florida ("Consortium") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements, and have issued our opinion thereon dated January 30, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Consortium'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control. Accordingly, we do not express an opinion on the effectiveness of the Consortium'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.

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
January 30, 2026



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

**Partners**

W. Ed Moss, Jr.  
Joe M. Krusick  
Ric Perez  
Cori G. Novinich  
Renee C. Varga  
Rich J. Cassidy  
Justin R. Cabral

To the Honorable Mayor and County Commissioners  
Palm Beach Workforce Development Consortium  
Palm Beach County, Florida

We have examined Palm Beach Workforce Development Consortium, Palm Beach County, Florida’s (“Consortium”) compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2025. Management is responsible for the Consortium’s compliance with those requirements. Our responsibility is to express an opinion on the Consortium’s compliance based on our examination.

Winter Park, FL 32789  
501 S. New York Ave.  
Phone: 407-644-5811  
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Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Consortium complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the Consortium complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Consortium’s compliance with specified requirements.

Clearwater, FL 33761  
29605 US Hwy 19 North  
Phone: 727-785-7460

We are required to be independent of the Consortium and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

St. Petersburg, FL 33710  
5401 Central Avenue  
Phone: 727-327-1999

In our opinion, the Consortium complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2025.

N. Palm Beach, FL 33408  
631 US Highway One  
Phone: 561-848-9300

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Palm Beach Workforce Development Consortium, Palm Beach County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

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7900 NW 155th Street  
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*Moss, Krusick & Associates, LLC*

Miramar, FL 33025  
11450 Interchange Circle  
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Winter Park, Florida  
January 30, 2026



## MANAGEMENT LETTER

### **Partners**

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To the Honorable Mayor and County Commissioners  
Palm Beach Workforce Development Consortium  
Palm Beach County, Florida

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

We have audited the financial statements of Palm Beach Workforce Development Consortium, Palm Beach County, Florida's ("Consortium"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated January 30, 2026.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated January 30, 2026, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor general, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no corrective actions recommended in the preceding annual financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes of the financial statements. This information has been included in the notes to the basic financial statements.

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor general, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Consortium did not meet any of the conditions described in Section 215.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Consortium. It is management's responsibility to monitor the Consortium's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

## **Financial Condition and Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Special District Component Units**

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.9(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Consortium reported:

- a. The total number of District employees compensated in the last pay period of the Consortium's fiscal year was 69.
- b. The total number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the Consortium's fiscal year was 2.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was \$5,230,322.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was \$31,605.

## **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## **Purpose of This Letter**

Our management letter is intended solely for the information and use of the Board of Directors, the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of Palm Beach Workforce Development Consortium and is not intended to be and should not be used by anyone other than these specified parties.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
January 30, 2026