



AUDIT & FINANCE COMMITTEES' MEETING

CareerSource Central Florida | 9/3/24
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ACHIEVEMENT
BEGINS WITH A DREAM.



9/3/24 AUDIT & FINANCE COMMITTEES’ MEETING DETAILS

Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information/
Discussion/
Action Items

Other Business

Adjournment

What: Audit & Finance Committees’ Meeting

When: Tuesday, September 3 , 2024
10:00 a.m. – 11:30 a.m.

Where: CSCF Administration Office
390 N. Orange Ave., Suite 700 (7th Floor)
Orlando, FL 32801

or

Virtual Option via Zoom:

Link: <https://careersourcecf.zoom.us/j/81388267017?pwd=hbba3oUYgB9sD3aa4u811ddChKoCPE.1>

Dial In: 1 (929) 205-6099 / Meeting ID: 813 8826 7017 / Passcode: 153594

9/3/24 AUDIT & FINANCE COMMITTEES’ MEETING DETAILS

Meeting Details	Agenda Item #”	Topic	Presenter	Action Item
	1.	Welcome	Matt Walton	
Meeting Agenda	2.	Roll Call / Establishment of Quorum	Kaz Kasal	
Welcome	3.	Public Comment		
Roll Call	4.	Approval of Minutes A. 1/10/24 Audit & Finance Committee Meeting (for Audit Action) B. 6/5/24 Finance Committee Meeting	Matt Walton Eric Ushkowitz	X X
Public Comment	5.	Information / Discussion / Action Items A. Audit Committee Items 1) Charter – Annual Review 2) Fiscal Year 2023-2024 Audit Planning B. Finance Committee Items 1) Charter – Annual Review 2) Financial Results – July 2024 3) Budget Adjustments 4) Facilities Committee Update	Committee Discussion	X
Approval of Minutes	6.	Other Business		
Information/ Discussion/ Action Items	7.	Adjournment		
Other Business				
Adjournment				



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WELCOME

AUDIT COMMITTEE WELCOME!



Welcome to:
Yralee Mendez

Finance Manager
Osceola County



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ROLL CALL / ESTABLISHMENT OF QUORUM



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PUBLIC COMMENT



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► **Approval of Minutes**

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APPROVAL OF MINUTES



DRAFT

Audit and Finance Committees' Virtual Meeting

Wednesday, January 10, 2024
2:30 p.m.

MINUTES

- MEMBERS PRESENT:** Eric Ushkowitz, Matt Walton, Wendy Brandon, Lorie Bailey-Brown, Keira des Anges, Leslie Felix, Wendy Ford, Shawn Hindle, Kristy Mullane, Gaby Ortigoni, Michelle Sperzel, and Stephanie Taub
- MEMBERS ABSENT:** Angela Rex
- STAFF PRESENT:** Leo Alvarez, Tadar Muhammad, Kristi Vilardi, Fabia Diaz and Kaz Kasal
- GUESTS PRESENT:** Brian Liffick, Matt Carr / Cherry Bekaert

Agenda Item	Topic	Action Item / Follow Up Item
1	Welcome Mr. Walton, Audit Committee Chair, called the meeting to order at 2:30 pm.	
2	Roll Call / Establishment of Quorum Ms. Kasal, CSCF Executive Coordinator, reported a quorum present with both the Audit and Finance Committees.	
3	Public Comment None Offered.	
4	Approval of Minutes Audit Committee reviewed the minutes from the 9/6/23 Audit Committee meeting. <u>Finance</u> Committee reviewed the minutes from the 10/18/23 Finance Committee meeting.	Mr. Hindle made a motion to approve the minutes from the 9/6/23 Audit Committee meeting. Ms. Ortigoni seconded; <u>motion</u> passed unanimously. Mr. Hindle made a motion to approve the minutes from the 10/18/23 Finance Committee meeting. Mr. Walton seconded; motion passed unanimously.
5	Information	
	<u>Audit Committee Items:</u> - Acceptance of 2 CFR 200 Audit Report - Reviewed presentation entitled "Audit Executive Summary" for CareerSource Central Florida's Fiscal Year Ending 6/30/2023 (attachment) provided by Mr. Brian Liffick and Mr. Matthew Carr with Cherry Bekaert, CSCF's independent auditor.	Mr. Hindle made a motion to move to CSCF Board for final approval and acceptance of the 2 CFR 200 Audit Report, as presented, for Fiscal Year 2022-2023. Ms. Bailey-Brown seconded; <u>motion</u> passed unanimously.



	- Highlights from audit results presentation: - o Clean, unmodified opinion on financial statements - o No findings on compliance - o No significant deficiencies or material weaknesses • Florida Commerce Monitoring Results (FY 2022-2023) - Reviewed memo summarizing FY 2022-2023 Florida Commerce monitoring results for both program and fiscal (attachment). - o Programs: 5 findings – all instances of minor errors in administrative matters. - o Financials: 0 findings, 0 noncompliance issues, and 1 observation which has been addressed and no further action required to resolve this observation. <u>Finance Committee Items:</u> • Retirement 403b Audit Report - Reviewed CSCF's retirement 403b plan's audit report for year ending 6/30/23 (attachment). So far, a clean audit process and 95% <u>complete</u>. • Mid-Year Financials - Reviewed financials through 2nd quarter, 7/1/23 <u>thru</u> 12/31/23 (attachment). Overall, on track for mid-year at 50.4% of budget expended. • Benefits Broker Services Update - Mr. Alvarez, CFO, provided following updates on health benefits broker: - o Notification to non-<u>renew</u> sent to CSCF's current health benefits broker. - o Currently CSCF is negotiating contract terms with new benefits broker to take effect 4/1/24.	
6	Other Business • None offered.	
7	Adjournment Meeting adjourned at 3:22 p.m.	

Respectfully submitted,

Kaz Kasal
Executive Board Coordinator



DRAFT
Finance Committee Meeting
Wednesday, June 5, 2023
2:30 p.m.

MINUTES

MEMBERS PRESENT: Eric Ushkowitz, Keira des Angles, Shawn Hindle, Michelle Sperzel, and Matt Walton

MEMBERS ABSENT: Wendy Brandon

STAFF PRESENT: Leo Alvarez, Pam Nabors, and Kaz Kasal

Agenda Item	Topic	Action Item / Follow Up Item
1	Welcome Mr. Ushkowitz, Finance Committee Chair, called the meeting to order at 2:33 pm.	
2	Roll Call / Establishment of Quorum Ms. Kasal, CSCF Executive Coordinator, reported a quorum present.	
3	Public Comment None Offered.	
4	Approval of Minutes Finance Committee reviewed the minutes from the 4/10/24 Finance Committee meeting.	Mr. Walton made a motion to approve the minutes from the 4/10/24 Finance Committee meeting. Ms. des Angles seconded; motion passed unanimously.
5	Information/Discussion/Action Items	
	<u>FY 2023-2024 Activities</u> <u>Financial Results – through April 2024</u> - Reviewed financials through 4/30/24 (attachment). Projecting to close the year on target. <u>FY 2024-2025 Activities</u> <u>Approval of FY 2024-2025 Draft Budget</u> - Reviewed FY 2024-2025 Draft Budget (attachment). - Mr. Alvarez relayed the draft Budget will be sent to Consortium and Board for review and any input. The draft Budget will also be posted on CSCF website for public comment for the next 2 weeks.	Mr. Walton made a motion to move to Board the recommendation to approve FY 2024-2025 draft budget. Ms. des Angles seconded; motion passed unanimously.



	• <u>Retirement Plan Review / Follow-Up</u> - Reviewed further information on two additional benefits that could be added to CSCF's Retirement Plan (attachment). 1) Emergency Savings Account 2) Increasing Auto-Escalation from 6% to 8%.	Ms. des Anges made a motion to move to Board for final approval the recommendation to adopt an emergency savings plan and to increase auto-escalation from 6% to 8%. Mr. Walton seconded; <u>motion</u> passed unanimously.
6	Other Business None offered.	
7	Adjournment Meeting adjourned at 3:04 p.m.	

Respectfully submitted,

Kaz Kasal
Executive Board Coordinator



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INFORMATION / DISCUSSION / ACTION ITEMS



AUDIT COMMITTEE ITEMS



AUDIT COMMITTEE CHARTER

ANNUAL REVIEW

Audit Committee Charter



Purpose:

The Audit Committee reports to the Board of Directors and, also, provides a level of oversight on behalf of the local chief elected officials on the Central Florida Workforce Investment Consortium. The Committee is charged with the following tasks:

1. Approve the annual audit as presented by the external auditors.
2. Evaluate audit findings, make recommendations, and planned management improvements in light of the risk assessment reported by the external auditors.
3. Review annual fiscal compliance as presented by FloridaCommerce.

Responsibilities:

- Oversees the annual audit(s) of CSCF as required under applicable laws, regulations or directives (2 CFR 200). This includes approval of the annual audit plans, receiving and reviewing the audit from the independent auditor.
- Makes recommendations to the Board of Directors on the selection of an independent auditor to include the auditor's contract terms of engagement.
 - *Metric: Annual independent audit conducted and received by Audit Committee. Goal is to help management attain an unqualified audit each year.*
- Reviewing CSCF's responses to any adverse findings regarding the financial audit, including, but not limited to, adverse monitoring reports, financial audits, management decision letters, Office of Inspector General's (OIG) investigative reports and final determination letters.
 - *Metric: If applicable, approve any Management responses to independent audit and/or OIG investigative reports and have 100% acceptance of responses.*
- Providing oversight of CSCF through review of monitoring reports and audits of the organization.
- Reviewing and evaluating CSCF's ethics and conflict-of-interest policies and procedures and, whenever the Chair of the Board or the committee deems appropriate, investigating any alleged violations of such policies and procedures.

Skills/Expertise/Requirements:

- The Committee will consist of at least five members.
- Members will serve on the Committee until their resignation or replacement by the local elected official.
- Have unrestricted access to management and employees of the Central Florida Regional Workforce Development Board, Inc. (Corporation), as well as to all financial records.



Structure:

- Membership on the Committee consists of Board members appointed by the Chair, and county staff designated by each Chief Elected Official from the Local Elected Consortium.
- The Committee Chair is appointed by the Board Chair and is responsible to report on the Committee activities at the full Board meeting.
- Meetings shall be held not less than two (2) times per year.
- Agenda and minutes are kept and published on the CSCF website, and supplied to Committee members via email one week prior to the meetings.



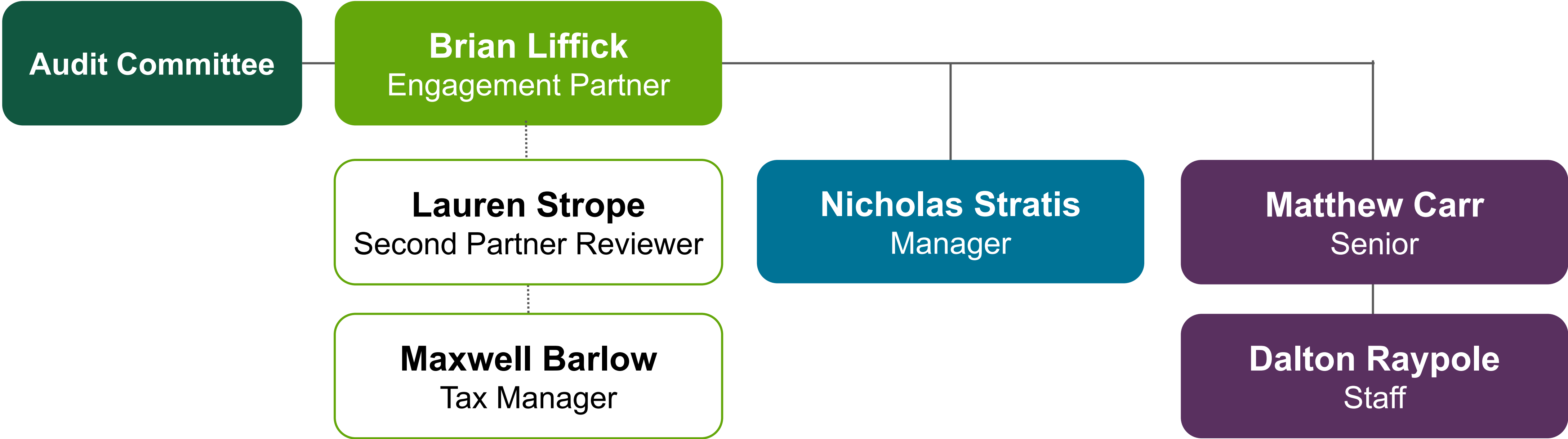
FISCAL YEAR: 2023-2024

AUDIT PLANNING

CareerSource Central Florida Audit Plan Presentation September 3, 2024

Year Ending June 30, 2024

Client Service Team



Contents

- Conduct of the audit
- Required communications
- Audit approach
- Audit timeline
- Areas of audit emphasis

Conduct of Audit

- We at Cherry Bekaert LLP very much appreciate the opportunity to serve as the independent auditor for CareerSource Central Florida. Our audit will be conducted in accordance with the following standards:
 - Government Auditing Standards
 - Uniform Guidance
- Our audit of the CareerSource Central Florida Retirement Plan ERISA 103(a)(3)(C) audit, as permitted by the Department of Labor's Rules and Regulations for Reporting and Disclosure
- Our tax service will encompass preparation of the CareerSource Central Florida Federal Form 990 in accordance with applicable IRS regulations
- Our audit will include collaboration with and use of extensive resources within our nonprofit industry practice. Our audit will include use of industry-specific audit programs and methodology and will involve a high level of communication
- Open discussion regarding the nature, timing and extent of communication of matters associated with the audit



Required Communications

- Provided in our engagement letter, including the nature, timing and extent of planned testing and reporting and level of assurance provided
- Communication with those in charge of governance in the planning process, provided through this presentation
- Additional communication will be provided to the Audit Committee at the audit completion to summarize audit results, including a presentation to the committee
- Ongoing communication throughout the audit process
- Inquiries as to knowledge of fraudulent activities or related concerns



Audit Approach

Risk-based and tailored to circumstances

Collaborative year-round communication

Primarily conducted remotely

Highly automated processes:

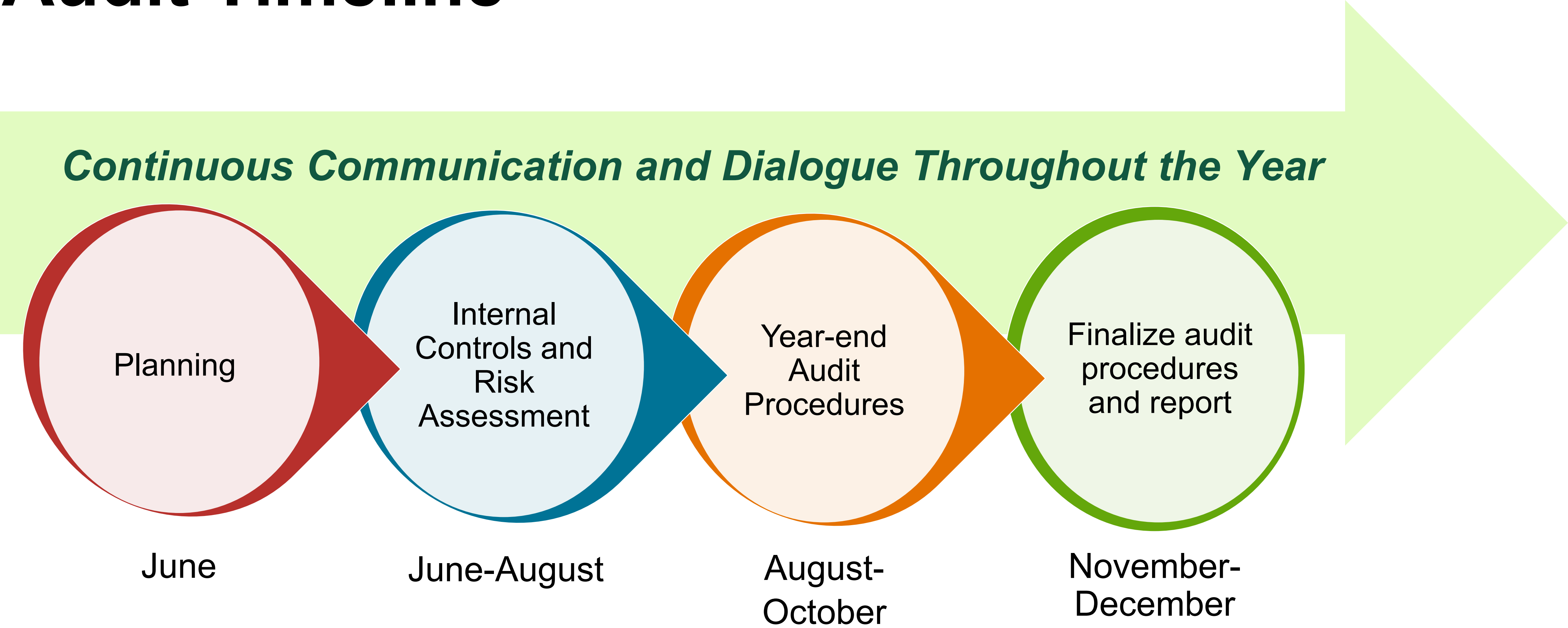
- ▶ Microsoft Teams to meet remotely
- ▶ Suralink® to stay engaged throughout the engagement process

Quality control through collaborative standard review processes; use of technology and highly experienced professionals

403(b) plan audit presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA



Audit Timeline



► The 403b Plan audit to start in September; remote fieldwork to be completed during October-December and the audit is anticipated to be completed during December.



Areas of Audit Emphasis

- Federal awards and related compliance matters
- Testing of internal controls, including use of information technology
- Grant receivable and advances
- Other liabilities
- Net asset classifications and restrictions
- Leases
- New or unusual agreements or transactions
- Report presentation and disclosures
- ASC 326 – Current Expected Credit Loss (CECL)



Let Us Be Your Guide Forward

Thank you!

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About Cherry Bekaert

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FINANCE COMMITTEE ITEMS



FINANCE COMMITTEE CHARTER

ANNUAL REVIEW

Finance Committee Charter



Purpose:

The Finance Committee reports to the Board of Directors and is charged with providing review, policy guidance and strategic oversight of the Boards financial matters to include:

1. Develop the Board's annual budget and review regularly; approve amendments as necessary.
2. Oversee the accounts of the Board and review of the Board's periodic financial statements,
3. Financial oversight of the Board's retirement plan and employee benefits plan.
4. Oversight of all Board real estate activities.

Responsibilities:

- Provide ongoing evaluation of the Board's budget and recommend appropriate action to the Board as necessary.
 - *Metric: Evaluate the Boards budget against expenditures to ensure alignment between expenditures and approved budget. Make adjustment recommendations when necessary.*
- Develop a new budget each year for submission to the Board for approval.
 - *Metric: Present a budget that is approved by the Board and Consortium each year in June.*
- Review periodic financial statements of the Board, making recommendations for action to the Board as needed.
 - *Metric: Review periodic financial statements to ensure full compliance. The goal is an unqualified audit opinion each year from an independent auditor.*
- Regularly review the retirement plan and benefits for CareerSource Central Florida employees.
 - *Metric: Review plan assets and make plan adjustments when necessary with the goal of increasing the overall quality of the plan.*
- Recommend appropriate action to the Board regarding the addition, deletion or major structural changes to leased offices.

Skills/Expertise:

- Willingness to serve through Board participation and engagement with the organization.
- Interest in board leadership.
- Prior experience as a board member desired.
- Prior experience with financial oversight or operations desired.



Structure:

- The Board Treasurer is the Chair of the Finance Committee. The Committee Chair and is responsible to report on the Committee activities at the full Board meetings.
- The Chair of the Board will appoint other members of the Committee who are recommended by the Treasurer.
- The Committee will consist of at least three members.
- Meetings shall be held not less than four times per year.
- Agenda and minutes are kept and published on the CareerSource Central Florida website and supplied to committee in written form via email one week prior to meetings.

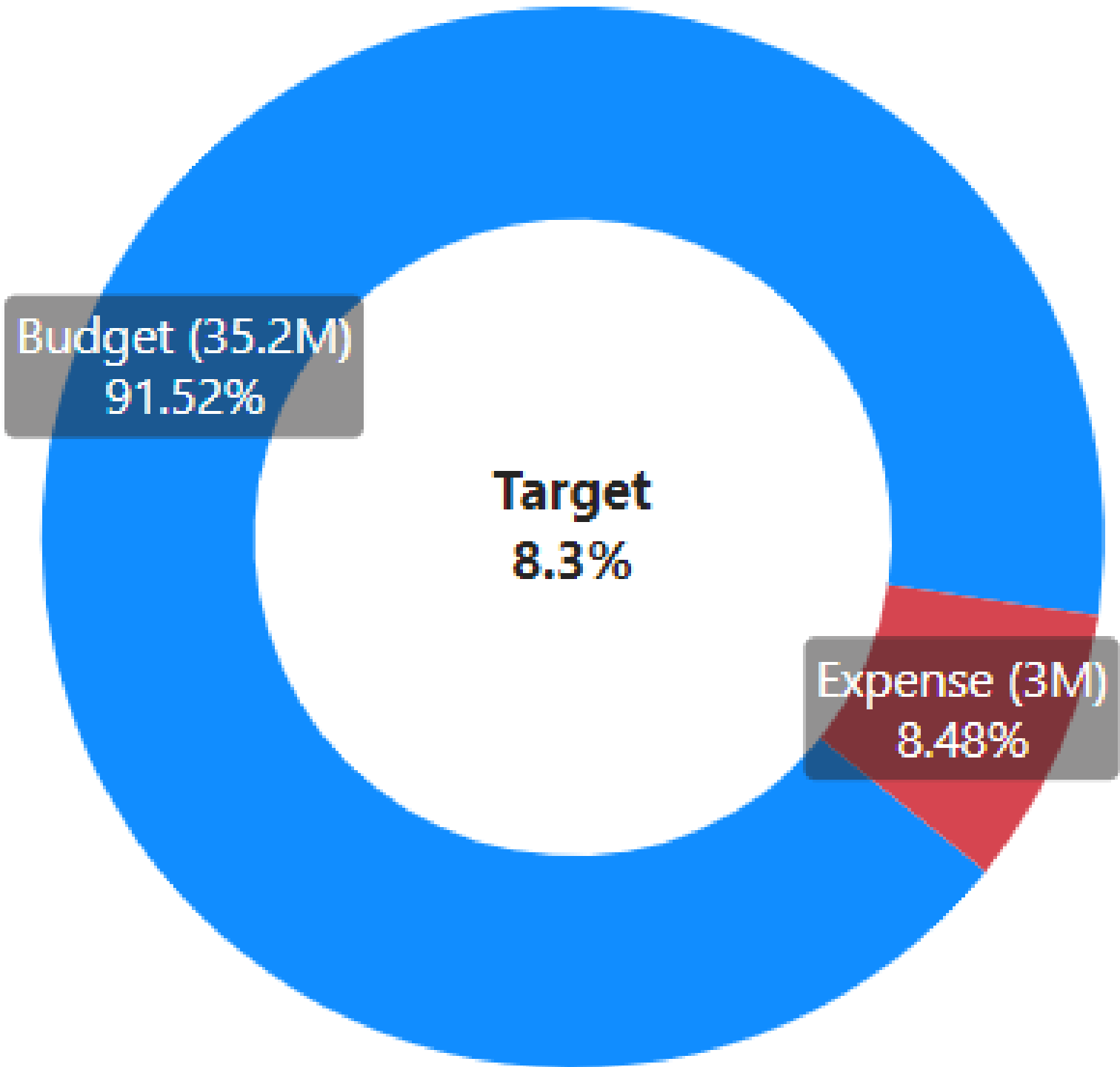
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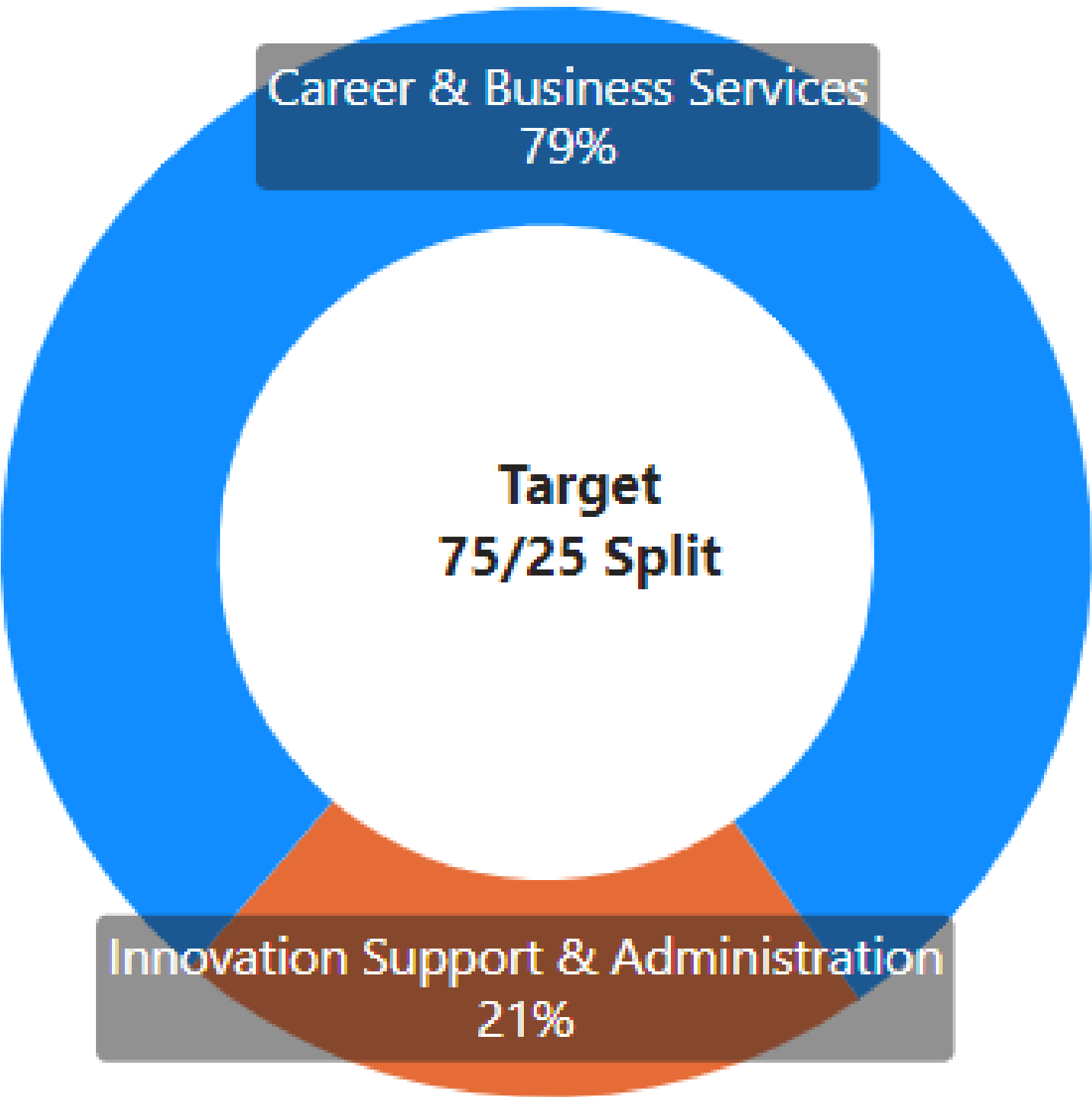
FINANCE RESULTS – JULY 2024

BUDGET VS ACTUAL

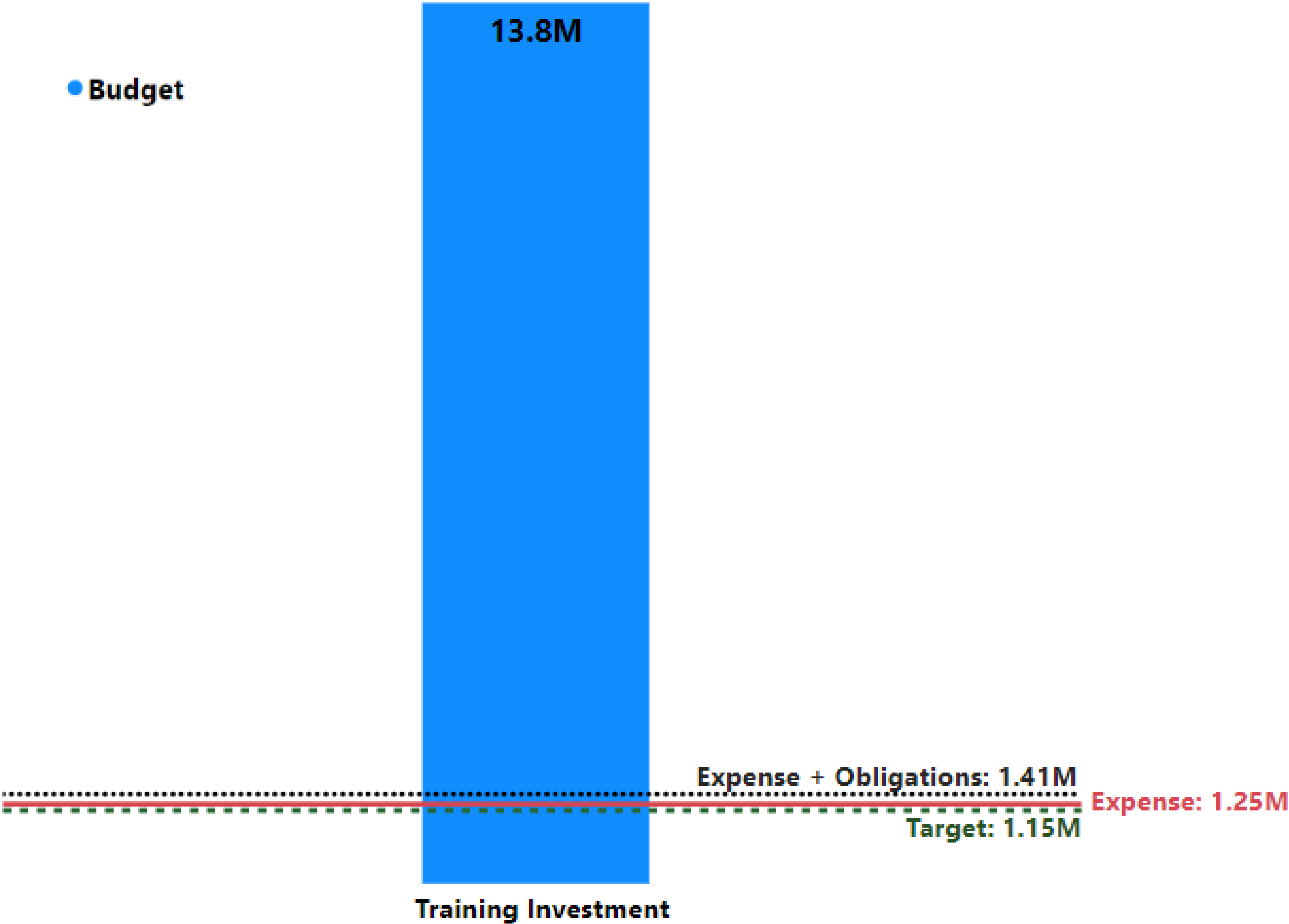
Budget to Actual Expenses



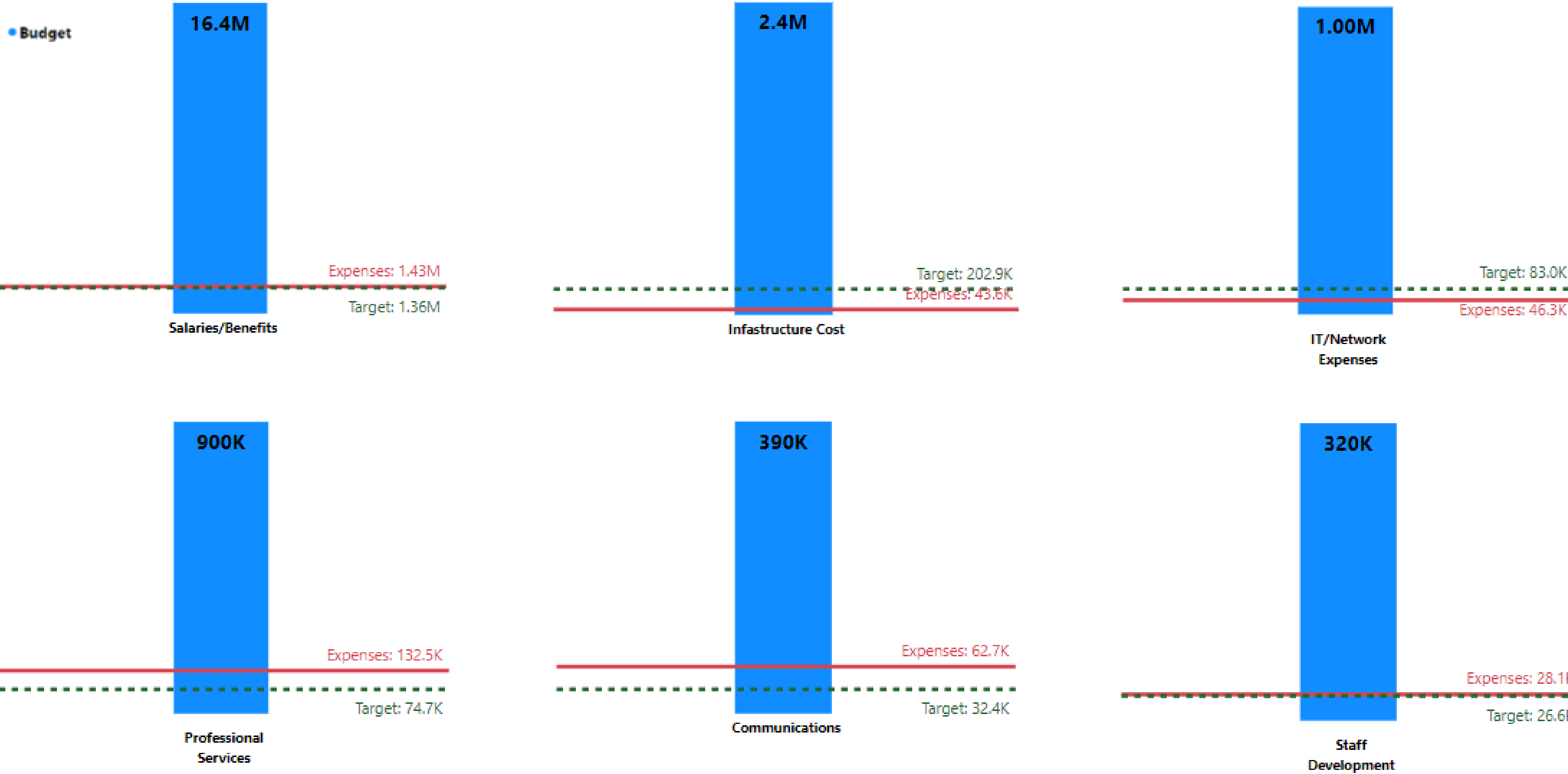
Budget Operations/Support



BUDGET VS ACTUAL BY EXPENDITURE CATEGORY



BUDGET VS ACTUAL BY EXPENDITURE CATEGORY



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BUDGET ADJUSTMENTS

	FOR REFERENCE					
	<u>PY Revenue</u>	<u>Original Revenue</u>		<u>Adjusted Revenue</u>	<u>DIFF</u>	
Carry In Funds (Reserves)	16,960,163	11,000,000		12,606,994		
New Funding	30,039,920	31,500,000		36,911,433		
Award Total - Available Funds	47,000,083	42,500,000		49,518,427		
LESS planned Carryover	(10,525,083)	(11,980,000)		(14,283,427)		
Total Available Funds Budgeted	36,475,000	30,520,000		35,235,000	\$ 4,715,000	15.4%
Expenditure Category	<u>PY Budget</u>	<u>Original Budget</u>		<u>Proposed Revised Budget</u>		
Salaries/Benefits	\$ 19,001,000	\$ 16,000,000		\$ 16,350,000	350,000	
Training Investment	\$ 11,180,000	\$ 9,500,000		\$ 13,830,000	\$ 4,330,000	
Professional Services	\$ 1,170,000	\$ 900,000		\$ 900,000	\$ -	
Outreach	\$ 638,000	\$ 355,000		\$ 390,000	\$ 35,000	
Infrastructure/Maintenance & Related Cost	\$ 2,620,000	\$ 2,445,000		\$ 2,445,000	\$ -	
IT Cost/Network Expenses	\$ 1,432,000	\$ 1,000,000		\$ 1,000,000	\$ -	
Staff Development & Capacity Building	\$ 434,000	\$ 320,000		\$ 320,000	\$ -	
EXPENDITURES	\$ 36,475,000	\$ 30,520,000		\$ 35,235,000	\$ 4,715,000	15.4%



FACILITIES UPDATE

CareerSource Central Florida Space Optimization Plan

OBJECTIVES:

Reduce Office Locations

The plan aims to reduce the number of physical office locations

Reduce Rental Expense

A 35% reduction in annual rental expense is targeted, resulting in a projected \$500,000 in savings annually.

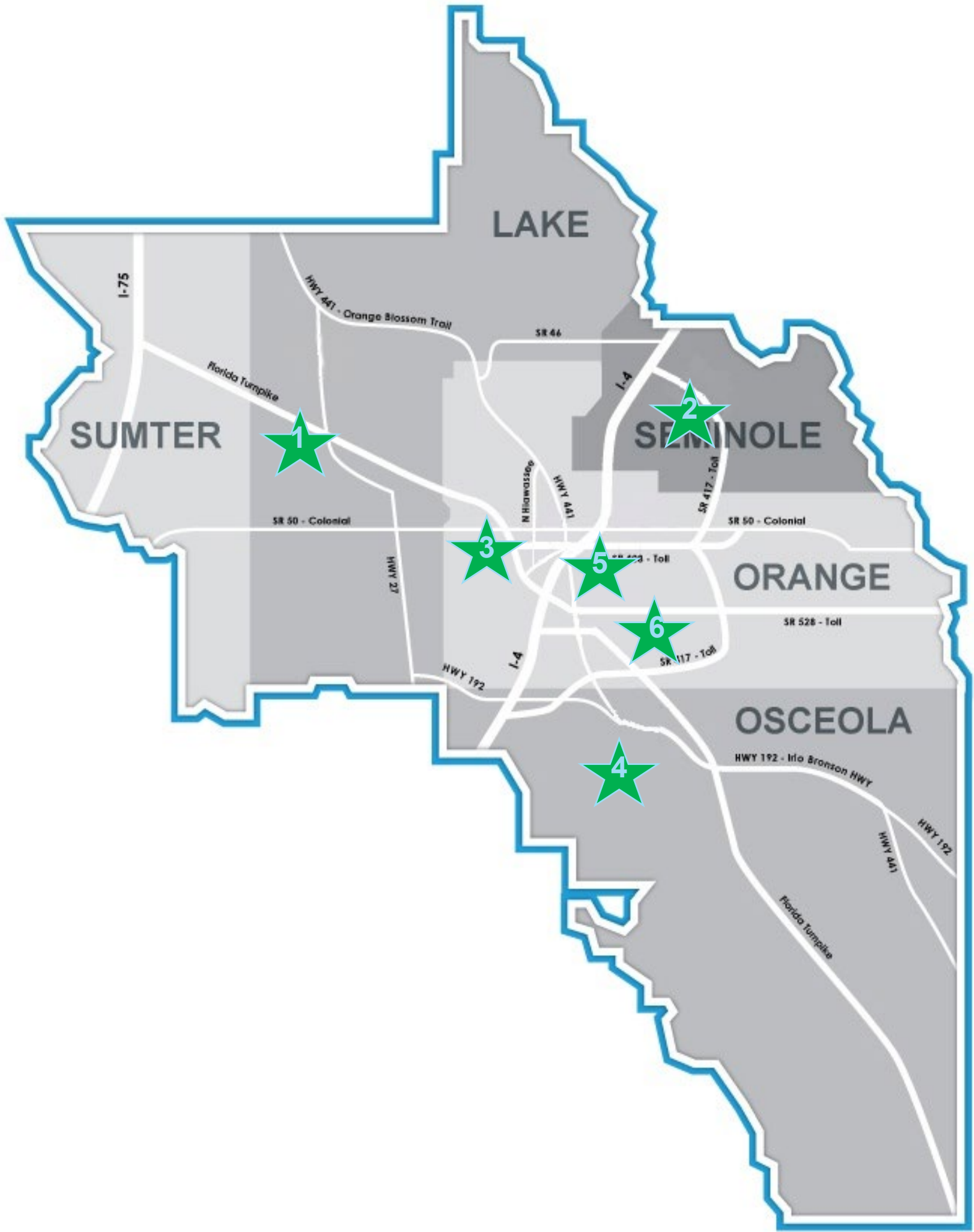
Maintain Service Levels

The space optimization plan will ensure that service delivery levels are maintained or even improved by leveraging community partnerships and virtual service technology.



Current Office Landscape and Rental Costs

	Center Lease Information	Price per Sq.Ft (CURRENT)	Sq.Ft.	Expires	Current Rate	Annual Rent Escalation	Renewal Options
(1)	CSCF (Sumter/Lake) 9909 US Highway 441, Building M29, Leesburg, FL 34748	\$17.00	10,525	1/25/2025 (see renew options)	\$178,925 per year, (Full Service)	3%	Five 1-year options, with 3 months notice prior lease expiration
(2)	CSCF (Seminole) 1209 West Airport Boulevard, Sanford, FL 32773	\$17.87	10,031	6/30/2026	\$179,230 per year, (NNN lease)	3%	One 5-year option, with 6 months written notice prior to lease expiration
(3)	CSCF (West Orange) 9401 West Colonial Drive, Suite 403, Ocoee, Florida 34761	\$27.10 1 st renewal base rent will be \$17.00 w/2.5% per year Includes T&I cost	12,041	7/31/2026	Currently \$326,160 per year, (NNN lease) 1 st renewal would be \$204,697	2.50%	Two 5-year options, no earlier the 12 and no later then 6 months before end of lease
(4)	CSCF (Osceola) 1800 Denn John Lane Bldg. CIT Suite 300 Kissimmee, FL 34744	\$16.00 starting 1/1/2025	12,731	12/31/2029	\$203,396 per year, (Full Service)	2%	Two 5-year options, with 3 months notice prior to lease expiration
(5)	CSCF (Administration) 390 N Orange Avenue, Suite 700 Orlando, FL 32801	\$30.83	11,792	7/31/2026	\$363,549, (Full Service)	3%	One 5-year option, no earlier than 18 (1/25) and no later than 12 (7/25) months before end of lease
(6)	CSCF (Southeast Orange) 5784 S. Semoran Boulevard, Orlando, FL 32822	\$18.00	12,363	9/30/2026	\$227,196 per year, (NNN lease)	5.5%	2 year lease 1 st year 18.00 2 nd year 19.00



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▶ **Adjournment**

ADJOURNMENT



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