



# **AUDIT & FINANCE COMMITTEES' MEETING**

CareerSource Central Florida | 1/10/24

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# 1/10/24 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: Wednesday, January 10, 2024  
2:30 p.m. – 4:00 p.m.

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

or

Virtual Option via Zoom:

Link: <https://careersourcecf.zoom.us/j/82079890548?pwd=LbuPrUZQmGf5izemjaBad4aLyo4XP5.1>

Dial In: 1 (929) 205-6099 / Meeting ID: 820 7989 0548 / Passcode: 919971

# 1/10/24 AUDIT & FINANCE COMMITTEES' MEETING DETAILS

Agenda Item #"	Topic	Presenter	Action Item
1.	Welcome	Eric Ushkowitz / Matt Walton	
2.	Roll Cal / Establishment of Quorum	Kaz Kasal	
3.	Public Comment		
4.	Approval of Minutes A. <a href="#">9/6/23 Audit Committee Meeting</a> B. <a href="#">10/18/23 Finance Committee Meeting</a>	Matt Walton Eric Ushkowitz	X X
5.	Information / Discussion / Action Items A. <a href="#">Audit Committee Items</a> 1) <a href="#">Acceptance of 2 CFR 200 Audit Report</a> 2) <a href="#">Florida Commerce Monitoring Results (FY 2022-2023)</a>  B. <a href="#">Finance Committee Items</a> 1) <a href="#">Retirement 403b Audit Report</a> 2) <a href="#">Mid-Year Financials</a> 3) <a href="#">Benefits Broker Services Update</a>	Matt Walton Cherry Bekaert Leo Alvarez  Eric Ushkowitz Leo Alvarez Leo Alvarez Leo Alvarez	X   X
6.	Other Business		
7.	Adjournment		



**Meeting Details**

**Meeting Agenda**

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**Approval of Minutes**

**Information/  
Discussion/  
Action Items**

**Other Business**

**Adjournment**

**WELCOME**



**Meeting Details**

**Meeting Agenda**

**Welcome**

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**Public Comment**

**Approval of Minutes**

**Information/  
Discussion/  
Action Items**

**Other Business**

**Adjournment**

# ROLL CALL



Meeting Details

Meeting Agenda

Welcome

Roll Call

**Public Comment**

Approval of Minutes

Information/  
Discussion/  
Action Items

Other Business

Adjournment

# PUBLIC COMMENT



Meeting Details

Meeting Agenda

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Roll Call

Public Comment

► Approval of Minutes

Information/  
Discussion/  
Action Items

Other Business

Adjournment

# APPROVAL OF MINUTES



**DRAFT**  
**9/6/23 Audit Committee Meeting**  
**2:30 p.m.**  
**MINUTES**

**MEMBERS PRESENT:** Matt Walton, Lorie Bailey-Brown, Wendy Ford, Shawn Hindle, Gaby Ortigoni, and Stephanie Taub

**MEMBERS ABSENT:** Leslie Felix, Kristy Mullane, and Angela Rex

**STAFF PRESENT:** Leo Alvarez, Tadar Muhammad, Emily Kruszewski, Fabia Diaz and Kaz Kasal

**GUESTS PRESENT:** Brian Liffick, Nick Stratis / Cherry Bekaert LLP

Agenda Item	Topic	Action Item / Follow Up Item
1	<p><b>Welcome</b> Mr. Walton, Audit Committee Chair, called the meeting to order at 2:32 pm.</p> <p>Committee welcomed new Audit Committee Members Ms. Stephanie Taub with Orange County Government, and board member Mr. Matt Walton who is also the new Audit Committee Chair.</p>	
2	<p><b>Roll Call / Establishment of Quorum</b> Ms. Kasal, CSCF Executive Coordinator, reported a quorum present.</p>	
3	<p><b>Public Comment</b> None Offered.</p>	
4	<p><b>Approval of Minutes</b> Audit Committee reviewed the minutes from the 1/18/23 Audit &amp; Finance Committee meeting (attachment).</p>	<p><b>Ms. Ortigoni made a motion to approve the minutes from the 1/18/23 Audit and Finance Committees' meeting. Ms. Ford seconded; motion passed unanimously.</b></p>
5	<p><b>Information / Discussion</b></p> <p><u>Audit Committee Charter – Annual Review</u></p> <ul style="list-style-type: none"> <li>• Reviewed Charter (attachment) and concurred no changes needed at this time.</li> </ul> <p><u>Fiscal Year 2022-2023 Audit Planning</u></p> <ul style="list-style-type: none"> <li>• Mr. Liffick, with Cherry Bekaert LLP, provided an overview <u>on</u> audit planning and timeline for FY 22-23 (attachment).</li> <li>• Audit results will be presented at the Audit and Finance joint meeting on 1/10/24.</li> </ul>	
6	<p><b>Other Business</b> None offered.</p>	
7	<p><b>Adjournment</b> Meeting adjourned at 2:50 p.m.</p>	

Respectfully submitted,  
 Kaz Kasal  
 Executive Coordinator





DRAFT  
 Finance Committee Meeting  
 Wednesday, October 18, 2023  
 2:30 p.m.

MINUTES

**MEMBERS PRESENT:** Eric Ushkowitz, Wendy Brandon, Keira des Anges, Shawn Hindle, Michelle Sperzel and Matt Walton

**MEMBERS ABSENT:** Bryan Orr

**STAFF PRESENT:** Leo Alvarez, Pam Nabors, Fabia Diaz and Kaz Kasal

Agenda Item	Topic	Action Item / Follow Up Item
1	<b>Welcome</b> Mr. Ushkowitz, Finance Committee Chair, called the meeting to order at 2:30 pm.	
2	<b>Roll Call / Establishment of Quorum</b> Ms. Kasal, CSCF Executive Coordinator, reported a quorum present.	
3	<b>Public Comment</b> None Offered.	
4	<b>Approval of Minutes</b> <u>Finance</u> Committee reviewed the minutes from the 6/7/23 Finance Committee meeting.	<b>Mr. Walton made a motion to approve the minutes from the 6/7/23 Finance Committee meeting. Ms. Brandon seconded; motion passed unanimously.</b>
5	<b>Information/Discussion/Action Items</b>	
	<p><u>Finance Committee Charter</u> Reviewed Charter (attachment) and concurred no changes needed at this time.</p> <p><u>Financial Results – 1<sup>st</sup> Quarter</u> Reviewed financials through 9/30/23, as well as comparison current year vs. previous year. The Committee concurred for staff to continue providing the “Budget vs. Actual Details” spreadsheet (attachment).</p> <p><u>Budget Adjustments</u> The Committee reviewed and concurred with the budget adjustment reducing FY 22-23 carry-in funds from \$19.4M to \$16.8M, while total budget remains at <u>\$38.5M</u> (attachment).</p>	



	<p><b>Benefits Broker Services</b>                  The Committee concurred for staff to reassess proposals from last year's benefits broker procurement (primarily <u>health</u> benefits side).</p>	<p><i>Staff to identify top proposals with best ROI from last year's benefits broker procurement and provide a recommendation at 1/10/24 Audit &amp; Finance Committees' meeting.</i></p>
6	<p><b>Other Business</b>                  None offered.</p>	
7	<p><b>Adjournment</b>                  Meeting adjourned at 3:21 p.m.</p>	

Respectfully submitted,

Kaz Kasal  
 Executive Board Coordinator



Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information/  
Discussion/  
Action Items

Other Business

Adjournment

# INFORMATION/ DISCUSSION/ ACTION ITEMS



# **ACCEPTANCE OF 2 CFR 200 AUDIT REPORT**

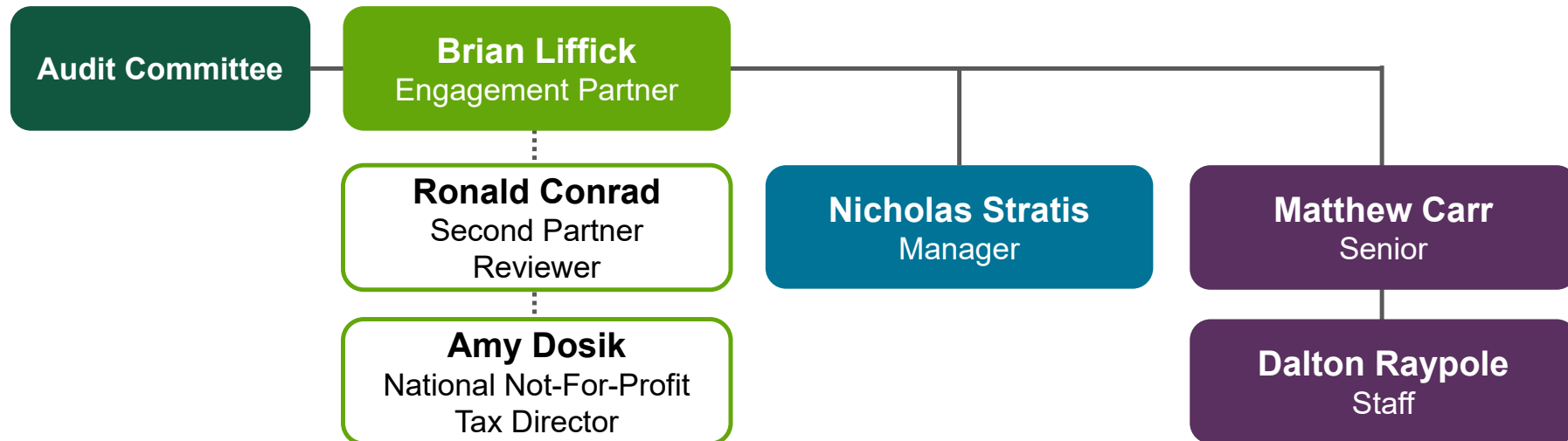
Central Florida Regional Workforce Development  
Board, Inc. d/b/a CareerSource Central Florida

# **Audit Executive Summary**

January 10, 2024



# Client Service Team





# Agenda

- ▶ Results of the Audit
- ▶ Internal Controls
- ▶ Corrected and Uncorrected Misstatements
- ▶ Required Communications
- ▶ Financial Highlights
- ▶ 403(b) Plan Status

This information is intended solely for the use of the Audit Committee, the Board of Directors and management of Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

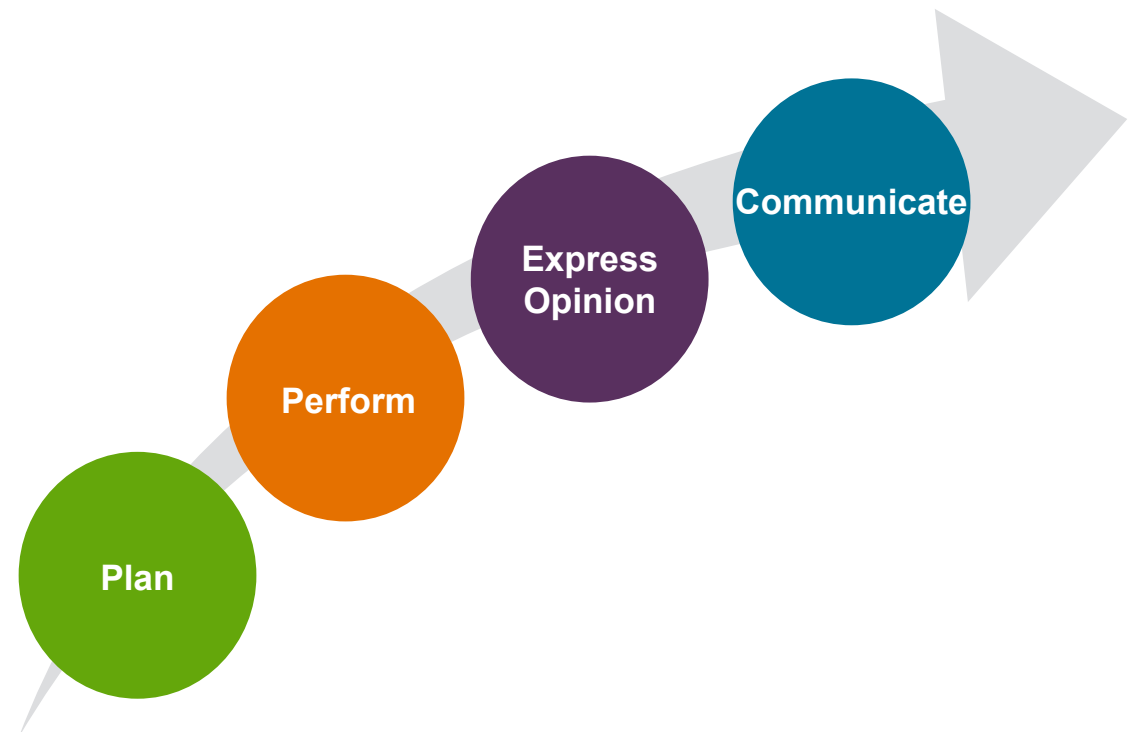


# Results of the Audit

We have audited the financial statements of Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida (the “Organization”) for the year ended June 30, 2023 in accordance with generally accepted auditing standards and *Government Auditing Standards* and plan to issue our report thereon dated January 10, 2024.

We have also audited the Organization’s compliance with the types of compliance requirements described in the OMB Compliance Supplement, that could have a direct and material effect on each of the Organization’s major federal programs for the year ended June 30, 2023. We plan to issue our report thereon dated January 10, 2024.

We have issued an unmodified opinion on the financial statements and have no reportable findings on compliance required by the Uniform Guidance.





# Internal Control Communication

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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.



# Internal Control Communication

## Material Weakness

- ▶ 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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

## Significant Deficiency

- ▶ 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.

There were no material weaknesses or significant deficiencies reported.



# Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

## Corrected Misstatements

▶ None noted.

## Uncorrected Misstatements

▶ None noted.

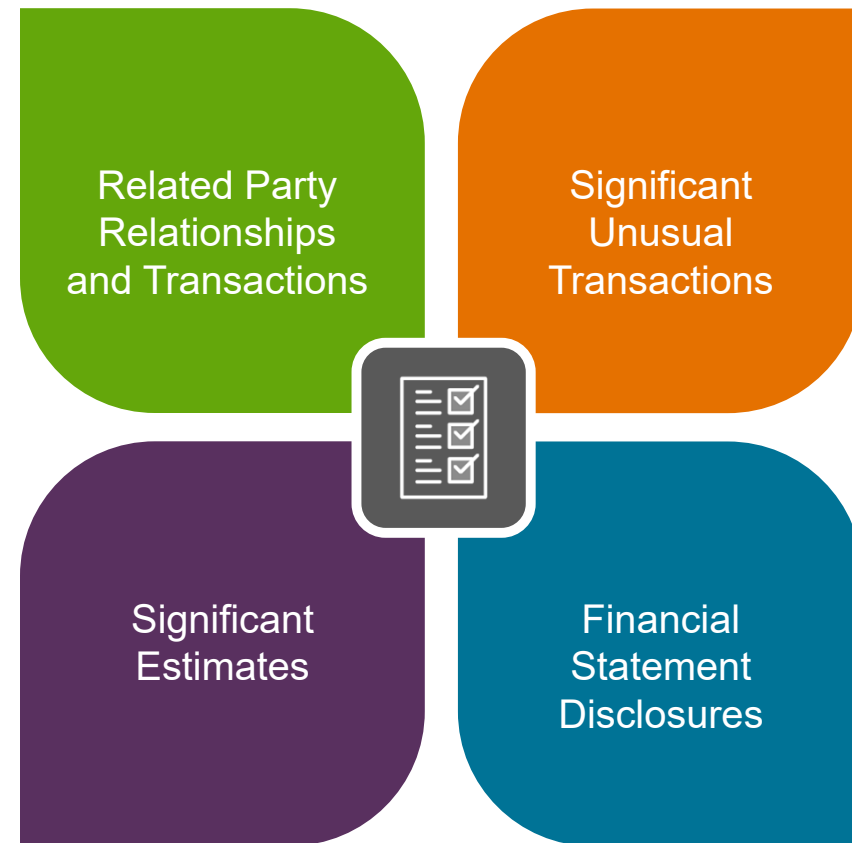


# Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements.

ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, and ASU 2016-02, *Leases (Topic 842)* were adopted during the year. At June 30, 2023, the financial statements reflect right of use assets of \$3,226,453 and lease liabilities of \$3,369,415.

The application of all other existing policies was not changed during the year. We noted no inappropriate accounting policies or practices.

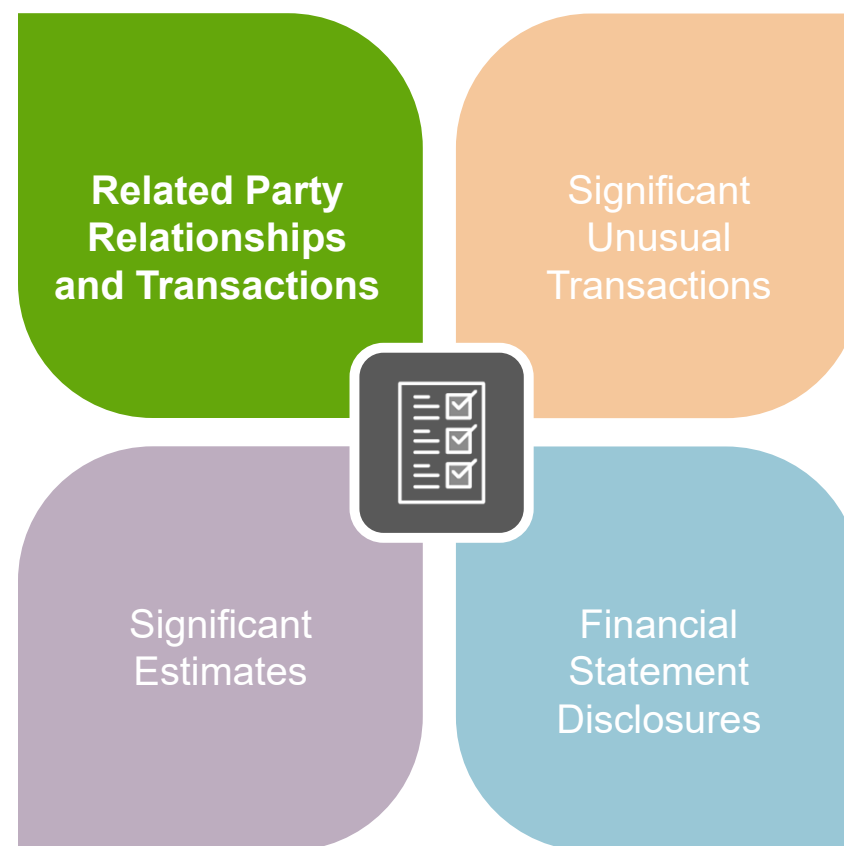


# Qualitative Aspects of Accounting Practices

As part of our audit, we evaluated the Organization's identification of, accounting for, and disclosure of the Organization's relationships and transactions with related parties as required by professional standards.

We noted none of the following:

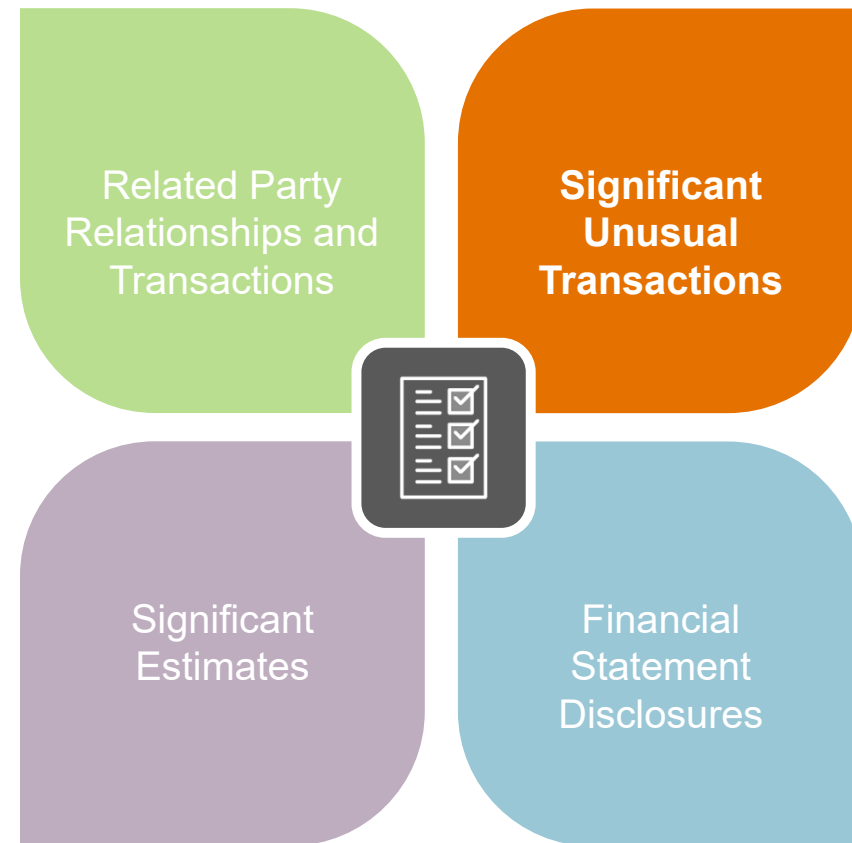
- Related parties or related party relationships or transactions that were previously undisclosed to us;
- Significant related party transactions that have not been approved in accordance with the Organization's policies or procedures or for which exceptions to the Organization's policies or procedures were granted;
- Significant related party transactions that appeared to lack a business purpose;
- Noncompliance with applicable laws or regulations prohibiting or restricting specific types of related party transactions;
- Difficulties in identifying the party that ultimately controls the entity.



# Qualitative Aspects of Accounting Practices

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

For purposes of this presentation, professional standards define significant unusual transactions as transactions that are outside the normal course of business for the Organization or that otherwise appear to be unusual due to their timing, size or nature. We noted no significant unusual transactions during our audit.

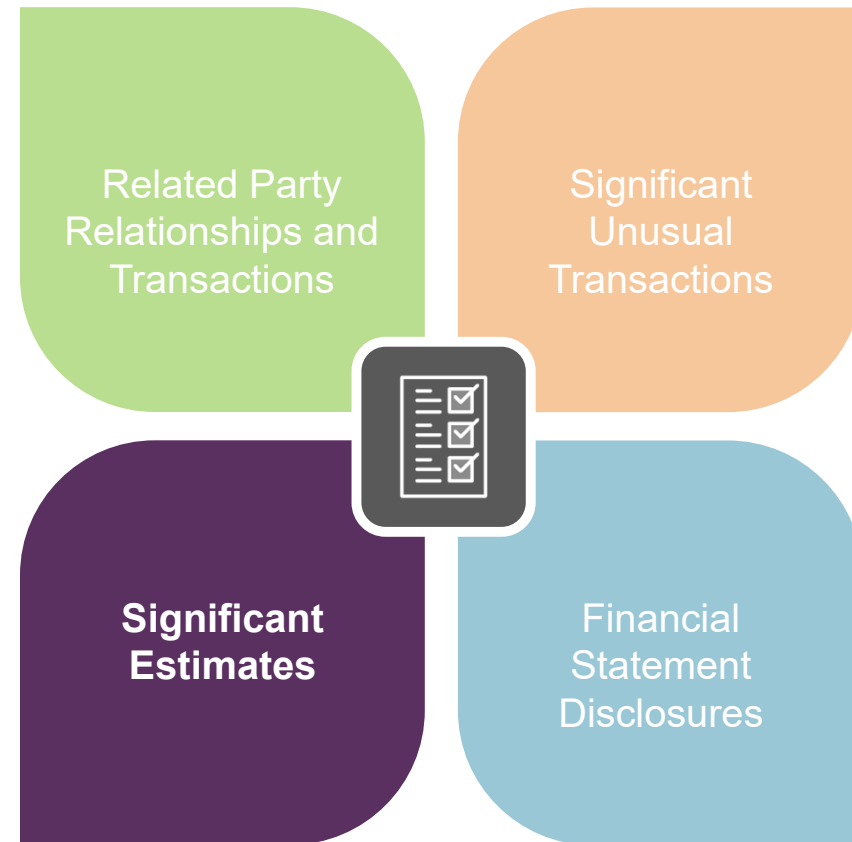


# Qualitative Aspects of Accounting Practices

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of depreciation is based on estimated useful lives of associated property and equipment.
- Management's estimate for functional expense allocation is based on an approved cost allocation plan or a negotiated indirect cost rate.

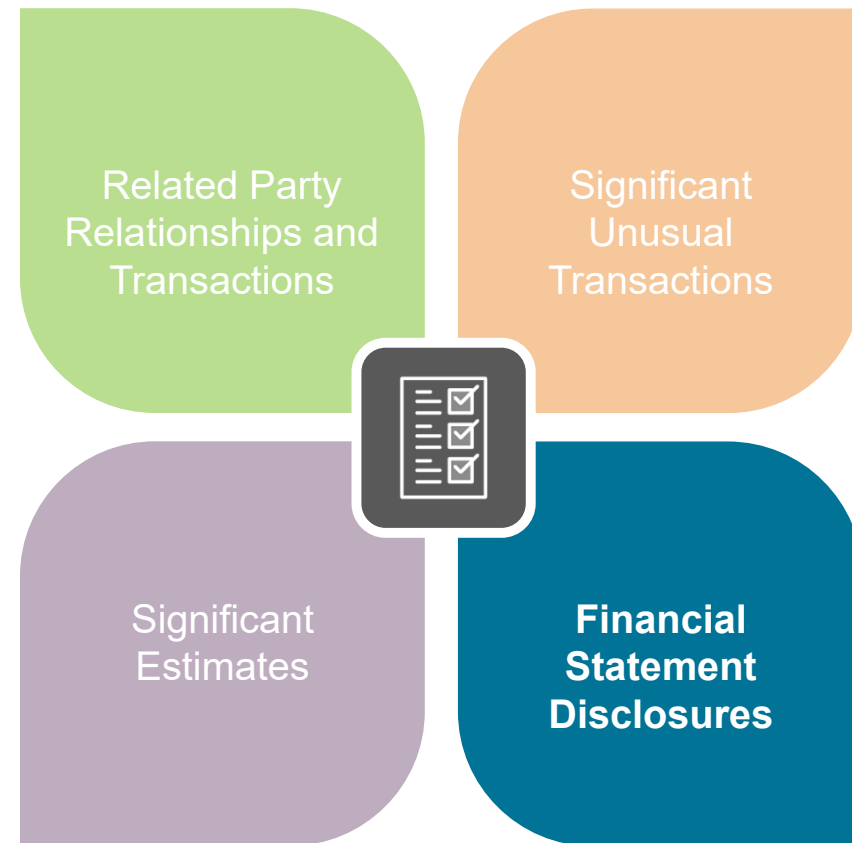
We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.



# Qualitative Aspects of Accounting Practices

The financial statement disclosures are neutral, consistent, and clear.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of the Organization's leases in Note 4 to the financial statements.





# Independence Considerations

## Nonattest Services

- ▶ Prepare the Organization's federal and state tax returns.
- ▶ Complete the appropriate sections of and certify the Data Collection Form.
- ▶ Assist in the preparation of the financial statements and disclosures
- ▶ Assist with the adoption of Accounting Standard Codification 842, *Leases*.
- ▶ For all nonattest services we perform, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, and accept overall responsibility for the results of the services.

## Independence Conclusion

- ▶ We are not aware of any other circumstances or relationships that create threats to auditor independence.
- ▶ We are independent of the Organization and have met our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits.



# Other Required Communications

## Difficulties Encountered

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

## Disagreements with Management

Includes disagreements on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

## Auditor Consultations

We noted no matters that are difficult or contentious for which the auditor consulted outside the engagement team.

## Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 10, 2024.



# Other Required Communications

## Management Consultations

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations.

To our knowledge, there were no such consultations with other accountants.

## Other Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year.

These discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## Fraud and Illegal Acts

As of the date of this presentation no fraud, illegal acts, or violations of laws and regulations noted.

## Going Concern

No events or conditions noted that indicate substantial doubt about the Organization’s ability to continue as a going concern.



# Other Matters

## Supplementary Information

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



# Financial Highlights

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# Financial Highlights – Statement of Financial Position

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current Assets:		
Cash	\$ 2,909,609	\$ 3,571,014
Grants receivable	2,022,994	1,164,254
Other receivable	83,252	75,198
Prepaid expenses and other current assets	<u>608,137</u>	<u>833,835</u>
Total Current Assets:	<u>5,623,992</u>	<u>5,644,301</u>
Property and equipment, net	55,999	83,300
Operating lease right-of-use assets	3,226,453	-
Deposits	<u>95,198</u>	<u>99,198</u>
<b>Total Assets</b>	<u>\$ 9,001,642</u>	<u>\$ 5,826,799</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 2,231,311	\$ 1,187,521
Accrued compensation	1,119,786	948,856
Grant advances	414,661	1,109,887
Current portion of operating lease liabilities	1,369,410	-
Deferred rent	<u>-</u>	<u>144,687</u>
Total Current Liabilities	<u>5,135,168</u>	<u>3,390,951</u>
Noncurrent Liabilities:		
Operating lease liabilities, net of current portion	<u>2,000,005</u>	<u>-</u>
Net Assets:		
Net Assets Without Donor Restrictions	<u>1,866,469</u>	<u>2,435,848</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 9,001,642</u>	<u>\$ 5,826,799</u>



# Financial Highlights – Statement of Activities

	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Federal financial assistance	\$ 41,943,416	\$ 36,214,837
Contributions and other revenue	5,880,225	736,343
Interest income	7,370	6,859
<b>Total Revenues</b>	<u>47,831,011</u>	<u>36,958,039</u>
<b>Expenses</b>		
Program services	44,475,198	33,543,572
Management and general	3,925,192	3,060,332
<b>Total Expenses</b>	<u>48,400,390</u>	<u>36,603,904</u>
Change in net assets	(569,379)	354,135
Net assets without donor restrictions, beginning of year	<u>2,435,848</u>	<u>2,081,713</u>
Net assets without donor restrictions, end of year	<u>\$ 1,866,469</u>	<u>\$ 2,435,848</u>



# 403(b) Plan Status

Final due date of April 15<sup>th</sup>

Audit in progress with no issues noted to date

We anticipate issuing the final report in January





# Questions?

**Brian Liffick, CPA**

*Partner*

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**About Cherry Bekaert**

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**CENTRAL FLORIDA REGIONAL  
WORKFORCE DEVELOPMENT BOARD, INC.  
(D/B/A CAREERSOURCE CENTRAL FLORIDA)**

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

*As of and for the Year Ended June 30, 2023*

*And Reports of Independent Auditor*

DRAFT

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**(D/B/A CAREERSOURCE CENTRAL FLORIDA)**  
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DRAFT

## Report of Independent Auditor

To the Board of Directors  
Central Florida Regional Workforce Development Board, Inc.  
d/b/a CareerSource Central Florida  
Orlando, Florida

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida (the "Organization"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

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

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

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

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

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

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

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

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated **REPORT DATE**, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Orlando, Florida  
**REPORT DATE**

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**(D/B/A CAREERSOURCE CENTRAL FLORIDA)**  
**STATEMENT OF FINANCIAL POSITION**

JUNE 30, 2023

**ASSETS**

Current Assets:

Cash	\$ 2,909,609
Grants receivable	2,022,994
Other receivable	83,252
Prepaid expenses and other current assets	608,137
<b>Total Current Assets</b>	<b>5,623,992</b>

Property and Equipment:

Leasehold improvements	120,057
Software	1,265,164
Data processing equipment	288,496
<b>Total Property and Equipment</b>	<b>1,673,717</b>
Less accumulated depreciation	(1,617,718)
<b>Property and Equipment, Net</b>	<b>55,999</b>

Operating lease right of use assets

3,226,453

Deposits

95,198

**Total Assets**

**\$ 9,001,642**

**LIABILITIES AND NET ASSETS**

Current Liabilities:

Accounts payable and accrued expenses	\$ 2,231,311
Accrued compensation	1,119,786
Grant advances	414,661
Current portion of operating lease liabilities	1,369,410
<b>Total Current Liabilities</b>	<b>5,135,168</b>

Noncurrent Liabilities:

Operating lease liabilities, net of current portion	2,000,005
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**Total Liabilities**

7,135,173

Net Assets Without Donor Restrictions

1,866,469

**Total Liabilities and Net Assets**

**\$ 9,001,642**

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

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**(D/B/A CAREERSOURCE CENTRAL FLORIDA)**  
**STATEMENT OF ACTIVITIES**

*YEAR ENDED JUNE 30, 2023*

Revenues:	
Federal financial assistance	\$ 41,943,416
Contributions and other revenue	5,880,225
Interest income	<u>7,370</u>
Total Revenues	<u>47,831,011</u>
Expenses:	
Program services	44,475,198
Management and general	<u>3,925,192</u>
Total Expenses	<u>48,400,390</u>
Change in net assets	(569,379)
Net assets without donor restrictions, beginning of year	<u>2,435,848</u>
Net assets without donor restrictions, end of year	<u><u>\$ 1,866,469</u></u>

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

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**(D/B/A CAREERSOURCE CENTRAL FLORIDA)**  
**STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2023

**Cash flows from operating activities:**

Change in net assets	\$ (569,379)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	53,567
Change in operating assets and liabilities:	
Grants and other receivables	(866,794)
Prepaid expenses and other current assets	225,698
Deposits	4,000
Accounts payable and accrued expenses	1,043,790
Accrued compensation	170,930
Grant advances	(695,226)
Net cash flows from operating activities	<u>(633,414)</u>

**Cash flows from investing activities:**

Purchases of property, plant, and equipment	<u>(27,991)</u>
Net cash flows from investing activities	<u>(27,991)</u>

Net change in cash	(661,405)
Cash, beginning of year	<u>3,571,014</u>
Cash, end of year	<u>\$ 2,909,609</u>

**Supplemental disclosure of cash flow information:**

Noncash activity from adoption of Accounting Standards Update 2016-02, <i>Leases (Topic 842)</i>	<u>\$ 3,369,415</u>
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The accompanying notes to the financial statements are an integral part of these statements.



**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
(D/B/A CAREERSOURCE CENTRAL FLORIDA)  
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2023

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**Note 1—Nature of the Organization**

Central Florida Regional Workforce Development Board, Inc., d/b/a CareerSource Central Florida (the "Organization") was established on September 12, 1996 as a nonprofit organization to promote and enhance productive employment of individuals in the Florida counties of Orange, Seminole, Osceola, Lake, and Sumter ("Region 12"). The Organization was created to fulfill the duties and responsibilities provided for by the Workforce Florida Act of 1996 consistent with the provisions of job training, job placement, and benefit services to the citizens of the five counties. The governing body of the Organization consists of board members who are appointed by state and local officials to oversee conformance with grant regulations.

The Organization is the grant recipient and grant administrator for the following grants in Region 12:

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

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

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

*Supplemental Nutrition Assistance Program ("SNAP")* – SNAP programs provide matching grants for administrative operating costs of the Supplemental Nutrition Assistance Program.

*Disabled Veterans Outreach Program ("DVOP")* – DVOP programs are designed to develop jobs and job training opportunities for disabled and other veterans and to provide outreach to veterans through all community agencies and organizations.

*Local Veterans Employment Representative Program ("LVER")* – LVER programs provide job development, placement and support services directly to veterans.

*Reemployment and Eligibility Assessments ("RESEA")* – RESEA grants provide funds to administer the program of reemployment and eligibility assessments for eligible workers through federal and state cooperation.

*Trade Adjustment Assistance ("TAA")* – TAA grants provide funding for the individuals who have lost jobs due to the export of those jobs.

*Temporary Assistance for Needy Families ("TANF")* – TANF provides cash assistance to indigent American families with dependent children through the United States Department of Health and Human Services.

*Youthbuild* – The Youthbuild program combines educational, leadership, mentoring and hands-on work experience components to train youth in the construction industry fields.

*National Emergency Grants – Hurricane Ian, COVID-19, and Opioid* – The purpose of the National Emergency Grants program is to temporarily expand service capacity at the state and local levels by providing time-limited funding assistance in response to significant dislocation events.

*Coronavirus Relief Fund* – The purpose of the Coronavirus Relief Fund is to provide payments to cover necessary expenditures incurred due to the public health emergency with respect to Coronavirus Disease 2019 ("COVID-19").

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
(D/B/A CAREERSOURCE CENTRAL FLORIDA)  
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2023

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**Note 2—Summary of significant accounting policies**

*Basis of Presentation* – The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. All of the net assets of the Organization are classified as net assets without donor restrictions and are not subject to donor-imposed restrictions.

*Revenue Recognition* – Federal financial assistance revenues are associated with cost-reimbursement contracts and are earned and recognized as revenue as allowable grant costs are incurred. Grant advances consist of revenue not yet recognized because allowable grant costs have not yet been incurred, although related cash has been received. There was no allowance for doubtful accounts recorded at June 30, 2023.

*Functional Expenses and Cost Allocations* – The costs of providing the various programs and other activities have been detailed in the schedule of functional expenses in the notes to the financial statements and summarized on a functional basis in the statement of activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Salaries and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided based on an approved cost allocation plan. These costs are allocated based on client information, staffing, and other applicable statistics. Indirect costs are allocated to all programs under a negotiated indirect cost rate.

*Property and Equipment* – Property and equipment is stated at cost and are defined by the Organization with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 3 to 9 years. Leasehold improvements are depreciated over the shorter of the estimated useful life or the term of the lease.

Property acquired with governmental funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs; however, its disposition, as well as the ownership of any proceeds from the sale of the assets therefrom, is subject to applicable regulations.

*Income Taxes* – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and from state income taxes under similar provisions of the Florida Income Tax Code.

*Concentration of Credit Risk* – The Organization places its cash on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers all accounts at a single depository institution up to \$250,000.

During the year, the Organization from time to time may have had amounts on deposit in excess of the insured limits. As of June 30, 2023, the Organization had a balance of approximately \$3,160,000 on deposit in excess of insured amounts. Management believes the associated risk is minimized by placing such assets with quality financial institutions. The Organization has not experienced any losses on such accounts.

*Use of Estimates* – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
(D/B/A CAREERSOURCE CENTRAL FLORIDA)  
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2023

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**Note 2—Summary of significant accounting policies (continued)**

*Fair Value of Financial Instruments* – The respective carrying values of certain on-balance sheet financial instruments approximate their fair values due to the short-term nature of these instruments. These financial instruments include cash, grants and other receivables, accounts payable and accrued expenses, accrued compensation, and grant advances.

*Subsequent Events* – The Organization has evaluated events and transactions through **REPORT DATE**, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

**Note 3—Adoption of new accounting standards**

*Accounting for Leases.* The Organization adopted the provisions of FASB ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under Topic 840. FASB also subsequently issued additional ASUs which amend and clarify ASU 2016-02. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (“ROU”) assets and lease liabilities for operating leases on the balance sheet. See Footnote 4 for additional information.

**Note 4—Leases**

Effective July 1, 2022, the Organization adopted Topic 842 using a modified retrospective method. Under this transition method, the Organization has not restated comparative periods, and prior comparative periods will continue to be reported in conformity with ASC 840. On July 1, 2022, based on the present value of the lease payments for the remaining lease term of the Organization's existing leases, the Organization recognized right-of-use (“ROU”) assets of approximately \$4.5 million and lease liabilities for operating leases of approximately \$4.7 million. At June 30, 2023, other assets include an ROU operating lease asset of \$3,369,415, other current liabilities include current operating lease liabilities of \$1,369,410, and other noncurrent liabilities include long-term lease liabilities of \$2,000,005.

The Organization's lease portfolio, for which the Organization is the lessee, is made up of real estate leases. The Organization's real estate lease portfolio consists of buildings and office space, which were previously classified as operating leases under ASC 840. The real estate leases have escalating rent payments which increase on an annual basis. The Organization's leases have remaining lease terms of one year to four years, some of which include options to extend from one to five years or more. The exercise of lease renewal options is typically at the Organization's sole discretion; therefore, the majority of renewals to extend the lease terms are not reasonably certain to exercise and are not included in ROU assets and lease liabilities. Lease modifications result in remeasurement of the lease liability as of the modification date.

For contracts entered into on or after the effective date or at the inception of a contract, the Organization assessed whether the contract is, or contains, a lease. The assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Organization obtains the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether the Organization has the right to direct the use of the asset.

The Organization elected the package of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classification and initial direct costs for all leases. Therefore, leases entered into prior to July 1, 2022, are accounted for under the prior accounting standard and were not reassessed. The Organization has also elected not to recognize ROU assets and lease liabilities for short-term leases that have a term of 12 months or less. The effect of short-term leases would not be material to the ROU assets and lease liabilities.

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**(D/B/A CAREERSOURCE CENTRAL FLORIDA)**  
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

**Note 4—Leases (continued)**

Under ASC 842, an Organization discounts future lease obligations by the rate implicit in the contract, unless the rate cannot be readily determined. As most of our leases do not provide an implicit rate, the Organization uses the risk-free borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments.

Total lease costs for the year ended June 30, 2023 were \$1.4 million.

The supplementary cash and non-cash disclosures for the year ended June 30, 2023 are as follows:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 1,428,595
ROU assets obtained in exchange for new operating lease liabilities	\$ 4,684,053
Weighted-average remaining lease term in years for operating leases	2.7
Weighted-average discount rate for operating leases	2.87%

Maturities of lease liabilities as of June 30, 2023 were as follows:

<b><u>Years Ended June 30,</u></b>	
2024	\$ 1,444,731
2025	1,057,188
2026	930,418
2027	66,966
Total undiscounted cash flows	3,499,303
Less present value discount	(129,888)
Total lease liabilities	<u>\$ 3,369,415</u>

**Note 5—Grants receivable**

Grants receivable consist of the following due in less than one year as of June 30, 2023:

<b>Program:</b>	
Temporary Assistance for Needy Families	\$ 1,285,154
WIOA Dislocated Worker	298,500
Supplemental Nutrition Assistance Program	154,566
WIOA Rapid Response	83,394
National Emergency - Opioid	65,148
WIOA Single Mothers	59,955
WIOA Youth	37,294
National Emergency - Hurricane Ian	16,525
Other	22,458
Grants receivable	<u>\$ 2,022,994</u>

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.**  
**(D/B/A CAREERSOURCE CENTRAL FLORIDA)**  
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

**Note 6—Grant advances**

Grant advances represent the excess of grant funds received over allowable costs incurred. Grant advances as of June 30, 2023 consist of the following:

**Program:**

Wagner Peyser	\$	250,738
WIOA Adult		110,495
WIOA Dislocated Worker		37,528
National Emergency - COVID-19		15,900
Grant advances	<u>\$</u>	<u>414,661</u>

**Note 7—Retirement plan**

The Organization maintains a retirement plan in accordance with Section 403(b) of the IRC for all employees who have completed six months of service. Under the terms of the plan, the Organization makes contributions to the plan each year for each eligible employee in an amount equal to 100% of the employee's elective deferral, the total not to exceed 6% of eligible employee's annual salary. Total contributions by the Organization for the year ended June 30, 2023 were \$721,747.

**Note 8—Related party transactions**

The Organization recorded \$4,698,233 of tuition and other fees to entities that had employees on the Board of Directors during the year ended June 30, 2023.

**Note 9—Schedule of expenses by function and nature**

Expenses by function and nature for the fiscal year ended June 30, 2023 were as follows:

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries, benefits, and payroll taxes	\$ 15,776,151	\$ 2,980,927	\$ 18,757,078
Career and youth services	21,183,661	-	21,183,661
Professional services	1,710,257	378,122	2,088,379
Outreach	599,825	60,456	660,281
Facilities and maintenance	2,178,799	183,230	2,362,029
Information technology	1,430,873	184,486	1,615,359
Contractor fees	829,088	-	829,088
Staff development and capacity building	766,544	137,971	904,515
	<u>\$ 44,475,198</u>	<u>\$ 3,925,192</u>	<u>\$ 48,400,390</u>

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
(D/B/A CAREERSOURCE CENTRAL FLORIDA)  
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2023

**Note 10—Liquidity and availability of resources**

As of June 30, 2023, the following reflects the Organization's financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year:

Financial assets at year-end:

Cash	\$ 2,909,609
Grants receivable	2,022,994
Other receivable	<u>83,252</u>
Financial assets available to meet general expenditures within one year	<u>\$ 5,015,855</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also has the ability to make weekly cash draws against Florida Department of Economic Opportunity awards to support general program expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

**Note 11—Contingencies**

*Federal Grants and Questionable Costs* – The Organization's operations are funded by grants through contracts from federal government agencies which are passed through the Florida Department of Economic Opportunity and the Orange County Department of County Commissioners. The Organization is subject to state and federal audit examination to determine compliance with grant requirements. In the event that expenditures would be disallowed, repayment could be required.

*Litigation* – The Organization is party to various claims and legal actions arising in the ordinary course of business. Management does not believe that the outcome of such claims and legal actions will have a material adverse effect on the financial position or results of operations of the Organization.

**SUPPLEMENTARY INFORMATION**

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**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
(D/B/A CAREERSOURCE CENTRAL FLORIDA)  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title/Grant Number	Assistance Listing Number	Passed Through to Subrecipients	Federal Expenditures
<b>United States Department of Agriculture:</b>			
Passed through the State of Florida Department of Economic Opportunity:			
SNAP Cluster:			
Supplemental Nutrition Assistance Program	10.561	\$ -	\$ 919,053
Total SNAP Cluster		-	919,053
<b>Total United States Department of Agriculture</b>		-	919,053
<b>United States Department of Labor:</b>			
Passed through the State of Florida Department of Economic Opportunity:			
Employment Services Cluster:			
Wagner Peyser	17.207	-	2,711,413
Disabled Veterans' Outreach Program	17.801	-	210,554
Local Veterans' Employer Representative Program	17.801	-	173,921
		-	384,475
Total Employment Services Cluster		-	3,095,888
Reemployment and Eligibility Assessments	17.225	-	640,540
Trade Adjustment Assistance	17.245	-	50,125
COVID-19 National Emergency	17.277	-	4,010,460
National Emergency - Opioid	17.277	-	1,164,938
National Emergency - Hurricane Ian	17.277	-	1,641,525
		-	6,816,923
WIOA Cluster:			
WIOA Adult	17.258	-	4,325,994
WIOA Youth	17.259	-	5,082,553
WIOA Dislocated Worker	17.278	-	9,175,319
Total WIOA Cluster		-	18,583,866
<b>Total United States Department of Labor</b>		-	29,187,342
<b>United States Department of Health and Human Services:</b>			
Passed through the State of Florida Department of Economic Opportunity:			
Temporary Assistance for Needy Families (TANF)	93.558	-	10,133,144
<b>Total United States Department of Health and Human Services</b>		-	10,133,144
<b>United States Department of Treasury:</b>			
Passed through the Orange County Department of County Commissioners:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - LUO	21.027	-	6,087,090
<b>Total United States Department of Treasury</b>		-	6,087,090
<b>Total Expenditures of Federal Awards</b>		\$ -	\$ 46,326,629



**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
(D/B/A CAREERSOURCE CENTRAL FLORIDA)  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED JUNE 30, 2023

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**Note 1—Basis of presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Central Florida Regional Workforce Development Board, Inc., d/b/a CareerSource Central Florida (the "Organization") under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

**Note 2—Summary of significant accounting policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditure are not allowable or are limited as to reimbursement.

**Note 3—Reconciliation of financial records to the subrecipient enterprise resource application**

The year-to-date grant expenditure totals reported in the Organization's financial statements are reconciled to subrecipient enterprise resource application ("SERA") report totals. Differences between the amounts reported in the Organization's financial records and the reported totals in SERA occur frequently, since other costs from invoices received after the date of SERA reports may be recognized in the financial statements in accordance with the Organization's normal month-end closing procedures.

**Note 4—Indirect cost rate**

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

**Note 5—Cash assistance**

All of the Organization's federal awards were in the form of cash assistance for the year ended June 30, 2023.

**OTHER REPORTS**

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**Report of Independent Auditor on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors  
Central Florida Regional Workforce Development Board, Inc.  
d/b/a CareerSource Central Florida  
Orlando, 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 Central Florida Regional Workforce Development Board, Inc. d/b/a CareerSource Central Florida (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated **REPORT DATE**.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

Orlando, Florida  
**REPORT DATE**

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## **Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of Directors  
Central Florida Regional Workforce Development Board, Inc.  
d/b/a CareerSource Central Florida  
Orlando, Florida

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

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

We have audited Central Florida Regional Workforce Development Board's, Inc. d/b/a CareerSource Central Florida (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement*, that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

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

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

#### ***Responsibilities of Management for Compliance***

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

#### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

Orlando, Florida  
**REPORT DATE**

**CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.  
(D/B/A CAREERSOURCE CENTRAL FLORIDA)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2023

**Section I. Summary of Auditor's Results**

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified?  yes  no
- Significant deficiency identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards Section**

Internal control over major programs:

- Material weakness identified?  yes  no
- Significant deficiency identified?  yes  none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  yes  no

Identification of major programs:

<u>Assistance Listing #</u>	<u>Program Name</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
17.258-CL	WIOA Cluster

Dollar threshold used to determine Type A Programs \$1,389,799

Auditee qualified as low-risk auditee?  yes  no

**Section II. Schedule of Financial Statement Findings**

None reported for the year ended June 30, 2023.

**Section III. Federal Award Findings and Questioned Costs**

None reported for the year ended June 30, 2023.

**Section IV. Prior Year Findings**

There were no prior year findings reported.



# **DEO MONITORING RESULTS FY 2022-2023**





## Memorandum

To: Audit Committee  
 From: Leo Alvarez, CFO  
 Subject: Fiscal Year 2022-23 Florida Commerce Monitoring  
 Date: January 10, 2024

### Purpose:

The purpose of this memo is to summarize the Fiscal Year 2022-23 Florida Commerce monitoring results for both the program and fiscal departments. Below is a summary table extracted from the Florida Commerce monitoring report for discussion purposes:

FY 2022-2023 Financial Monitoring Results				
Category	Findings	Other Noncompliance Issue	Observations	Technical Assistance Provided
General Ledger and Cost Allocations (MOU IFAs omitted steps taken to reach consensus) (MOU IFA omitted dispute resolution process) (MOU IFAs omitted remedies for nonperformance)			1	
<b>TOTAL</b>			<b>1</b>	

- **Financial Monitoring** – There were 0 findings, 0 Noncompliance issues, and 1 observation. The observation relates to Memoradums of Understanding (MOU's) and Infrastructure Funding Agreemtns did not have all of the required contract disclosures. As a result and contract templates were updated during fieldwork to resolve the matter. No further action was required to resolve this observation.

N=No. Y=Yes. N/A=Not Applicable.

PY 2022-23 Programmatic Monitoring Results					
Workforce Program	Issue	Prior Year Finding	Current Year Finding	Prior Year Other Noncompliance Issue	Current Year Other Noncompliance Issue
WT	A safety plan was not developed for one victim of domestic violence nor were any safety plan elements included on the IRP.	N	Y		
TANF SYEP	One participant was enrolled in the SYEP before being determined eligible for services.			N	Y
<b>WT Totals</b>		<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
SNAP E&T	Four participants did not have their 590 initial appointment service code selected within two business days of completion of the appointment or "No show" as required.			Y	Y
<b>SNAP E&amp;T Totals</b>		<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
WIOA Special Projects	The training activity and payment method recorded in Employ Florida for two participants were recorded incorrectly in Employ Florida.			N	Y
<b>WIOA Totals</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
TAA	Training benchmarks were not reviewed every 60 days and documented in the TAA program application for one participant.			Y	Y
<b>TAA Totals</b>		<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
WP	Six job seeker placements were either missing documentation to support the placement, case notes in the files were incomplete, or wage rate documentation was inconsistent.	N	Y		
	Four job seekers with staff referrals to job orders were missing either full registrations and/or documentation of job seeker permissions to refer.	N	Y		
RESEA	Two participants' RESEA Responsibility Statements were missing staff signatures.			N	Y
<b>WP Totals</b>		<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>
JVSG	Four veteran case files were either missing a service code entry or the service codes were not entered timely in Employ Florida, or the IEPs were not reviewed within the required timelines.	N	Y		
<b>JVSG Totals</b>		<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
Local Board Governance	One local board member did not complete orientation training within six months of appointment.	N	Y		
<b>Other Totals</b>		<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Results – All Programs</b>		<b>0</b>	<b>5</b>	<b>2</b>	<b>5</b>

- **Program Monitoring** – Programmatic monitoring achieved a 20% year-over-year decrease in identified findings and 50% reduction in other issues. Florida Commerce identified 5 programmatic findings, with none being repeat issues from previous years. There were zero findings related to disallowed costs, indicating all expenditures were justified and correctly executed. The identified issues primarily revolve around administrative matters, including missing documents, signatures, case notes, and procedural details.

# Quality Assurance Report

Program Year 2022-23

January 4, 2023

Programmatic and Financial  
Compliance Monitoring Review

For

CareerSource Central Florida  
Local Workforce Development Board - 12

Prepared by FloridaCommerce  
Division of Workforce Services and Division of Finance and Administration



FloridaCommerce | Caldwell Building | 107 E. Madison Street | Tallahassee, FL 32399  
850.245.7105 | [www.FloridaJobs.org](http://www.FloridaJobs.org) | [www.Twitter.com/FLACOMMERCE](https://www.Twitter.com/FLACOMMERCE)

## Executive Summary

During the period of February 13 to February 17, 2023, the Florida Department of Commerce (FloridaCommerce) conducted a joint programmatic and financial monitoring review of CareerSource Central Florida's (CSCF) workforce programs. CSCF's service area includes Lake, Orange, Osceola, Seminole, and Sumter counties.

Programmatic monitoring was conducted by FloridaCommerce's Bureau of One-Stop and Program Support (OSPS) and financial monitoring was conducted by FloridaCommerce's Bureau of Financial Monitoring and Accountability (FMA) staff through a remote desktop review analysis. This allowed for collaboration in the evaluation of both programmatic and financial data by a comprehensive monitoring review team.

Monitoring activities included assessing CSCF's program operations, management practices, system protocols, internal controls, financial record keeping, and reporting to determine if CSCF operated in compliance with each of the programs' laws, regulations, state and local plans, policies and guidance, and any contract or agreement terms. Monitoring also included sample testing of randomly selected participant case file records from each of the workforce programs reviewed.

Programmatic and financial management issues identified in the report are categorized as Findings, Other Noncompliance Issues (ONIs), Observations, or Technical Assistance based on a scale of high, medium, and low risk factors. High, medium, and low risk factors are used to separate issues that present more of a threat to program operations including issues that may impact the fiscal integrity or delivery of services within program operations.

The review revealed that CSCF has the systems in place to perform the broad management, operational, and financial functions required to operate the workforce programs; however, deficiencies in case file documentation requirements and operational and management practices in several program review areas were identified. The programmatic monitoring review resulted in five findings, five ONIs, and several observations. The financial monitoring review resulted in one observation. While no material issues or weaknesses came to the reviewers' attention other than those contained in the report, there is no assurance that other issues do not exist.

As a subrecipient of authorized funds administered by FloridaCommerce, CSCF is accountable for failing to correct performance, programmatic, and financial deficiencies found during compliance monitoring reviews. To reduce programmatic or financial deficiencies observed and to increase program integrity at the local level, corrective action by CSCF is required to be taken.

The results of each of CSCF's workforce programs are summarized in the following charts by program and category.

## ACRONYM TABLE

---

ABAWD – Abled Bodied Adult without Dependents  
 AP – Administrative Policy  
 CAP – Corrective Action Plan  
 CFR – Code of Federal Regulations  
 CSCF – CareerSource Central Florida  
 DCF – Department of Children and Families  
 DVOP – Disabled Veterans Outreach Program  
 DWG – Disaster Recovery Dislocated Worker Grant  
 DW – Dislocated Worker  
 EDP – Employability Development Plan  
 EEO – Equal Employment Opportunity  
 ES – Employment Service  
 ETA – Employment and Training Administration  
 F.A.C.–Florida Administrative Code  
 FCOP – Farmworker Career Development Program  
 FG – Final Guidance  
 FLC – Foreign Labor Certification  
 FloridaCommerce – Florida Department of Commerce  
 FLSA – Fair Labor Standards Act  
 FMA – Bureau of Financial Monitoring and Accountability  
 F.S. – Florida Statutes  
 FY – Fiscal Year  
 IEP – Individual Employment Plan  
 IRP – Individual Responsibility Plan  
 IT – Information Technology  
 ITA – Individual Training Account  
 IWT – Incumbent Worker Training  
 JPR – Job Participation Rate  
 JVA – Jobs for Veterans Act  
 JVSG – Jobs for Veterans State Grant  
 LMI – Labor Market Information  
 LVER – Local Veterans Employment Representative  
 LWDB – Local Workforce Development Board  
 CSPH – Local Workforce Development Board  
 MIS – Management Information System  
 MOU/IFA – Memorandum of Understanding & Infrastructure Funding Agreement  
 MSFW – Migrant and Seasonal Farmworker  
 MSG – Measurable Skills Gains  
 ONI – Other Noncompliance Issue  
 OSPS – Bureau of One-Stop and Program Support  
 OSST – One-Stop Service Tracking  
 OST – Occupational Skills Training  
 POS – Priority of Service  
 PY – Program Year  
 RESEA – Reemployment Services and Eligibility Assessment Program  
 SBE – Significant Barrier to Employment  
 SMA – Senior Monitor Advocate

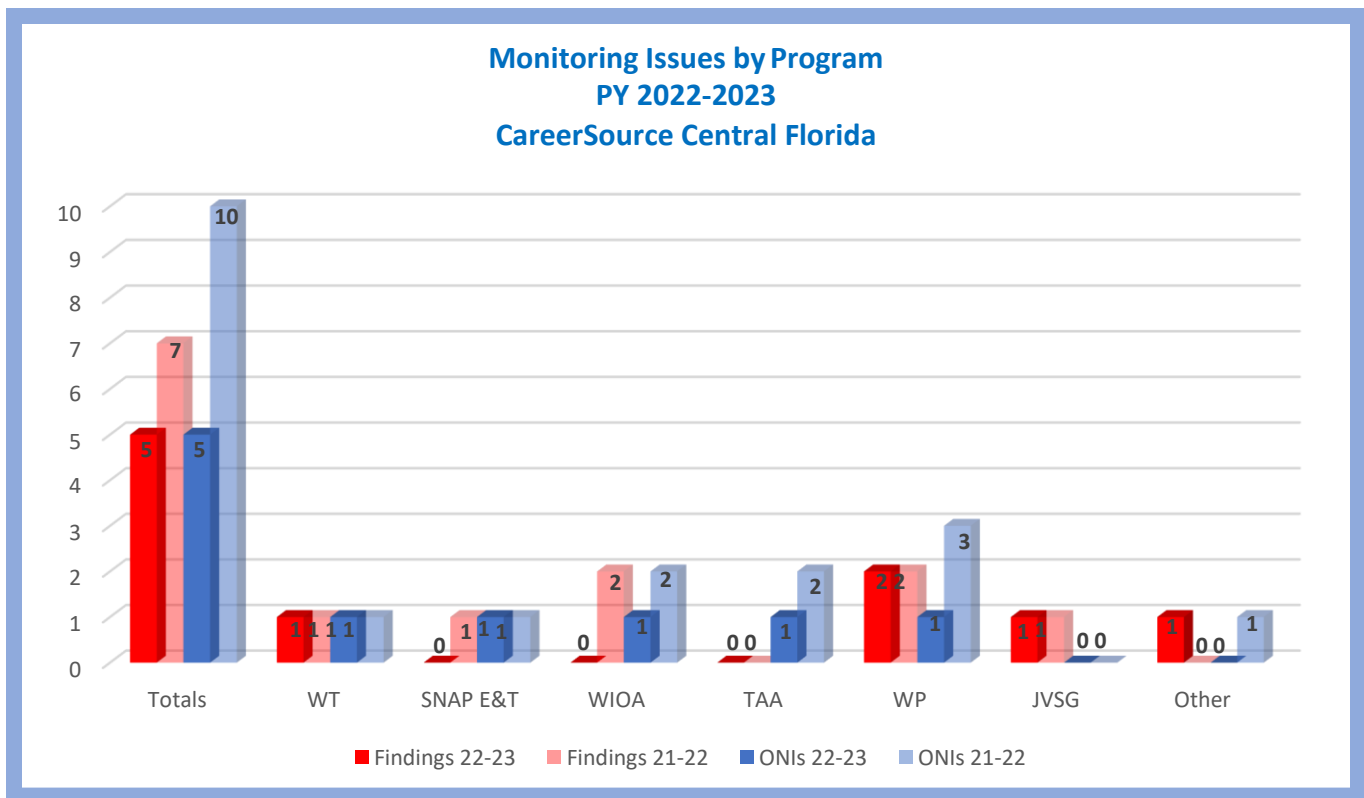
S.M.A.R.T – Specific, Measurable, Attainable, Realistic, and Time-Bound  
SNAP E&T – Supplemental Nutrition Assistance Program Employment and Training  
SYEP – Summer Youth Employment Program  
TAA – Trade Adjustment Assistance  
TANF – Temporary Assistance for Needy Families  
TCA – Temporary Cash Assistance  
TEGL – Training and Employment Guidance Letter  
U.S.C. – United States Code  
WE – Work Experience  
WFS – Workforce Services  
WIOA – Workforce Innovation and Opportunity Act  
WP – Wagner-Peyser  
WSA – Work Search Activity  
WT – Welfare Transition

**\*This acronym table reflects all acronyms that have been used in the PY 2022-2023 monitoring cycle. All acronyms may not be used in this report.**

## SUMMARY TABLE OF PROGRAMMATIC MONITORING RESULTS

N=No. Y=Yes. N/A=Not Applicable.

PY 2022-23 Programmatic Monitoring Results					
Workforce Program	Issue	Prior Year Finding	Current Year Finding	Prior Year Other Noncompliance Issue	Current Year Other Noncompliance Issue
WT	A safety plan was not developed for one victim of domestic violence nor were any safety plan elements included on the IRP.	N	Y		
TANF SYEP	One participant was enrolled in the SYEP before being determined eligible for services.			N	Y
<b>WT Totals</b>		<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
SNAP E&T	Four participants did not have their 590 initial appointment service code selected within two business days of completion of the appointment or "No show" as required.			Y	Y
<b>SNAP E&amp;T Totals</b>		<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
WIOA Special Projects	The training activity and payment method recorded in Employ Florida for two participants were recorded incorrectly in Employ Florida.			N	Y
<b>WIOA Totals</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
TAA	Training benchmarks were not reviewed every 60 days and documented in the TAA program application for one participant.			Y	Y
<b>TAA Totals</b>		<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
WP	Six job seeker placements were either missing documentation to support the placement, case notes in the files were incomplete, or wage rate documentation was inconsistent.	N	Y		
	Four job seekers with staff referrals to job orders were missing either full registrations and/or documentation of job seeker permissions to refer.	N	Y		
RESEA	Two participants' RESEA Responsibility Statements were missing staff signatures.			N	Y
<b>WP Totals</b>		<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>
JVSG	Four veteran case files were either missing a service code entry or the service codes were not entered timely in Employ Florida, or the IEPs were not reviewed within the required timelines.	N	Y		
<b>JVSG Totals</b>		<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
Local Board Governance	One local board member did not complete orientation training within six months of appointment.	N	Y		
<b>Other Totals</b>		<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Results – All Programs</b>		<b>0</b>	<b>5</b>	<b>2</b>	<b>5</b>



Note: The above chart reflects a two-year comparison of the number of monitoring issues (PY 2021-22 and PY 2022-23).

**DEFINITIONS APPLICABLE TO PROGRAMMATIC MONITORING**

1. Finding – A high risk issue that directly impacts the integrity or effectiveness of program operations or could potentially result in major program deficiencies (e.g., participant ineligibility, missing files, lack of fully executed contracts, issues indicative of systemic problems in program operations, has the appearance of fraud or abuse, possibility of non-conforming services provided to participants, potential questioned costs, etc.). Findings are expected to be responded to in the CAP.
2. Other Noncompliance Issue – A medium risk finding that results in deviation from process or practice not likely to result in failure of the management system or process but has a direct impact on program operations (e.g., data validity, timeliness of entering system information, missing program elements and employment plan information, failure to timely conduct follow-ups, etc.). ONIs could potentially be upgraded to a finding over time based on the nature of the deficiency (e.g., repeat violations, issues indicative of systemic problems in program operations, questioned costs, etc.). ONIs are expected to be responded to in the CAP.
3. Observation – A low risk issue that is intended to offer constructive comments and an opportunity to improve current local practices, processes, and procedures that result in positive program outcomes. Observations are not expected to be responded to in the CAP except when requested.

## SUMMARY TABLE OF FINANCIAL MONITORING RESULTS

FY 2022-2023 Financial Monitoring Results				
Category	Findings	Other Noncompliance Issue	Observations	Technical Assistance Provided
General Ledger and Cost Allocations (MOU IFAs omitted steps taken to reach consensus) (MOU IFA omitted dispute resolution process) (MOU IFAs omitted remedies for nonperformance)			1	
<b>TOTAL</b>			<b>1</b>	

### **DEFINITIONS APPLICABLE TO FINANCIAL MONITORING**

1. **Finding** – A high risk issue that directly impacts the integrity or effectiveness of financial operations or could potentially result in major financial deficiencies (e.g., lack of accounting records or no system of accounting, no documentation to support expenditures, lack of internal controls, lack of fully executed contracts, issues indicative of systemic problems in financial operations, has the appearance of fraud or abuse, potential disallowed costs, etc.). Findings are expected to be responded to in the CAP.
2. **Other Noncompliance Issue** – A medium risk finding that results in deviation from process or practice not likely to result in failure of the management system or process but has a direct impact on financial operations (e.g., missing financial elements, failure to timely conduct follow-ups, etc.). ONIs could potentially be upgraded to a finding over time based on the nature of the deficiency (e.g., repeat violations, issues indicative of systemic problems in financial operations, questioned costs, etc.). ONIs are expected to be responded to in the CAP.
3. **Observation** – A low risk issue that is intended to offer constructive comments and an opportunity to improve current local practices, processes, and procedures that result in positive financial outcomes. Observations are not expected to be responded to in the CAP except when requested.
4. **Technical Assistance** – Any assistance provided by the financial monitoring team to LWDB staff.



**QUALITY ASSURANCE REPORT  
CAREERSOURCE CENTRAL FLORIDA  
LOCAL WORKFORCE DEVELOPMENT BOARD - 12**

## I. DESCRIPTION OF MONITORING APPROACH

### **Review Purpose and Scope**

The monitoring review consisted of a joint programmatic and financial review of CSCF's workforce programs. The purpose of the monitoring review was to assess CSCF's compliance with applicable federal and state program statutes, regulations, and programmatic and fiscal administrative requirements. The scope primarily involved a review of participant case file data entered in the State's MIS, a review of participant case file documentation provided by CSCF from the selected file samples, and a review of local plans, procedures, reports, records, and other abstract information. In some instances, interviews were conducted with CSCF staff, employers, and participants to gather information about program processes and service delivery strategies.

The review scope also included an examination of CSCF's accounting records, internal controls, and supporting documentation including, but not limited to, a review of cash management, general ledger, cost allocations, payroll, personnel activity report testing, disbursement testing, and reporting of program data in the MIS to determine if appropriate processes, procedures, and controls were in place and properly implemented.

### **Type of Review**

A remote desktop review was performed for both programmatic and financial monitoring, with the selected sampled items provided through upload to FloridaCommerce's SharePoint monitoring system or access to CSCF's document storage system.

### **Compliance Review Abstract Information**

- Programmatic and Financial Monitoring Review Dates: February 13, 2023, to February 17, 2023
- Programmatic Monitoring Sample Review Period Dates: October 1, 2021, to December 31, 2022
- Financial Monitoring Sample Review Period Dates: October 1, 2021, to June 30, 2022

Note: Entrance conference and exit conference attendees are listed in Section IX of this report.

### **Programs Reviewed:**

- Welfare Transition
- Supplemental Nutrition Assistance Program – Employment and Training
- Workforce Innovation and Opportunity Act
- Trade Adjustment Assistance
- Wagner-Peyser
- Jobs for Veterans State Grant
- Any identified special projects operational during the review period
- Financial management practices, record keeping, safeguards and reporting

## **Monitoring Review Tools**

Florida Commerce's PY 2022-2023 programmatic and financial monitoring review tools were used to conduct the review. The tools were developed to provide a framework for monitoring activities performed by OSPS and FMA staff as well as the criteria used to monitor.

## **II. FINANCIAL MONITORING REVIEW**

FMA performed financial monitoring based on the elements described in the FY 2022-2023 Financial Monitoring Tool. The results of the financial monitoring testing are described below:

### **Prior Year Corrective Action Follow-Up**

There were no Findings or ONIs identified in the prior year.

### **FY 2022-2023 Financial Monitoring Results**

#### **Findings**

There were no findings identified during the financial monitoring review period of October 1, 2021, to June 30, 2022.

#### **Other Noncompliance Issues**

There were no ONIs identified during the financial monitoring review period of October 1, 2021, to June 30, 2022.

#### **Observations/Technical Assistance**

##### **Observation FMA #12.23.01**

##### **Category: 7.0 - General Ledger and Cost Allocation:**

Condition: CSCF's Memorandum of Understanding & Infrastructure Funding Agreements with Vocational Rehabilitation, Orange County Public Schools, and Orange County did not include all required information in accordance with 20 CFR 678.500, 20 CFR 678.755 and the Grantee-Subgrantee Agreement as follows:

##### *Vocational Rehabilitation & Orange County*

- Steps CSCF, chief local elected officials, and career center partners used to reach consensus or an assurance that the local area followed the guidance for the State funding process; and
- Remedies for nonperformance.

##### *Orange County Public Schools*

- Steps CSCF, chief local elected officials, and career center partners used to reach consensus or an assurance that the local area followed the guidance for the State funding process;
- Description of the process to be used among partners to resolve issues during the MOU duration period when consensus cannot be reached; and
- Remedies for nonperformance.

Criteria: 20 CFR 678.755 states, in part, that: *The MOU, fully described in § 678.500, must contain the following information whether the local areas use either the local one-stop or the State funding method:*

- (d) *Steps the Local WDB, chief elected officials, and one-stop partners used to reach consensus or an assurance that the local area followed the guidance for the State funding process.*
- (e) *Description of the process to be used among partners to resolve issues during the MOU duration period when consensus cannot be reached.*

Grantee-Subgrantee Agreement – CSCF’s One-Stop Delivery System, Section 5(g). states, in part, that “*The Board shall incorporate infrastructure funding provisions in each memorandum of understanding with its one-stop partners. Remedies for nonperformance must also be included*”.

Cause: CSCF did not follow the requirements set forth in 20 CFR 678.500, 20 CFR 678.755, and the Grantee-Sub-Grantee Agreement and omitted the requirements in the agreements.

Effect: CSCF is not in compliance with federal requirements pertaining to the execution and administration of required partner memorandums of understanding and infrastructure funding agreements. Absent the required steps used to reach consensus, remedies for nonperformance, and a description of the process to be used among partners to resolve issues during the MOU duration period when consensus cannot be reached, CSCF’s MOU IFA may lack enforceability as well as accountability and transparency in the use of funds and responsibilities of both parties.

Required Action: CSCF must ensure the elements stated in 20 CFR 678.755(c) and 20 CFR 678.500(d) are included in the MOU IFAs.

Corrective Action Taken: CSCF updated its MOU IFA template during the monitoring period to ensure that the elements stated in 20 CFR 678.755, 20 CFR 678.500, and the Grantee-Subgrantee Agreement are included in future MOU IFAs. Therefore, no further action is needed. FloridaCommerce would like to commend CSCF on the timely resolution of this finding.

Resource: Administrative Policy Number 106, Memorandums of Understanding and Infrastructure Funding Agreements, Dated February 20, 2020 (floridajobs.org).

### III. PROGRAMMATIC MONITORING REVIEW

The outcome of the programmatic monitoring review is detailed in the following sections of the report. The information presented describes the issues noted and, where appropriate, required corrective actions for improvement.

**NOTE:** The following general CAP requirements must be submitted for each finding and ONI and any additional program specific issues identified in the report.

#### General Program CAP Requirements

- A copy of updated local operating procedures/policies that address the requirement, if applicable.
- A copy of a monitoring schedule showing timeframes and the activities and services that will be monitored.

- Documentation showing staff training or refresher training has been or will be provided. Documentation must include training date(s), a training roster, and an agenda listing training topics.
- Documentation of written communication to staff informing them of the requirements.

## WELFARE TRANSITION

*The sample size consisted of 18 participant case files. The following issue was identified:*

### Finding Number WT 12.23.01

#### Documentation of Safety Plan and Safety Plan Elements

*Applicable reference(s): 414.065, F.S.; and FloridaCommerce FG 02-026.*

Of the two case files reviewed of participants identified as victims of domestic violence, one (50.0 percent) did not have a safety plan documented in the case file. Also, required safety plan elements were not documented on the IRP contained in the file.

**Recurring Issue from Previous Year:** No.

**Risk Impact:** Absence of a safety plan and failure to outline the elements of the safety plan on the IRP could place participants in potential danger by not knowing what safety resources are available to them or how to react in a confrontational situation. This could also place CSCF and the State in a litigious position.

**Required Action:** In addition to the general program CAP requirements, CSCF must provide documentation showing that staff have reviewed the one domestic violence participant file, developed a safety plan, and updated the IRP to include the elements from the safety plan if the case file is still open and active. Additionally, an assurance must be provided with the CAP that safety plans will be developed, and all elements of the safety plans will be included on the IRPs for victims of domestic violence in the future. Because of the inherent risks associated with safety plans, a plan of action or process must be provided with the CAP that includes documentation of staff training on the development of safety plans and safety plan elements for victims of domestic violence.

## OBSERVATION

The WT file review also revealed that JPR hours were being projected by CSCF staff without all pertinent information recorded in OSST. Additionally, some case notes were not entered timely. For future reference, case notes must fully describe the job for which hours are being or were projected, the date documentation of a full pay cycle was received, the number of hours on the documentation, and the number of hours to be projected including the duration (start and end dates). Although some documentation was in the file to support the JPR hours, the hours were not case noted correctly as outlined in FloridaCommerce FG 072. For future reference, CSCF must ensure staff enter case notes for projected hours of employment according to guidance. Recording projected hours correctly will assist case managers in assigning the proper number of JPR hours for participants.

## TANF SUMMER YOUTH EMPLOYMENT PROGRAM

*The sample size consisted of five participant case files. The following issue was identified:*

**ONI Number SYEP 12.23.01****Eligibility**

*Applicable reference(s):* SYEP Reporting Guide.

Of the five participants enrolled in the TANF SYEP, one (20.0 percent) participant was not determined eligible until after the participant was enrolled in the program.

**Recurring Issue from Previous Year:** No.

**Risk Impact:** This data is used for reporting purposes and incorrect data entry impacts the validity of the data being reported and can negatively impact performance. Ineligibility can also lead to questioned costs if the participant was not eligible for participation in the program and costs were incurred.

**Required Action:** In addition to the general program CAP requirements, CSCF must provide an assurance with the CAP that all necessary steps will be taken in the future to ensure eligibility is determined prior to enrollment and participation. Although the individual was later determined eligible, CSCF must ensure that all participants meet the eligibility requirements of the SYEP before being enrolled and participating in the program. Because this issue is related to eligibility with potential cost implications, CSCF must provide documentation of written notification informing staff of the requirements for correctly documenting eligibility.

**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM – EMPLOYMENT AND TRAINING**

*The sample size consisted of 17 participant case files. The following issues were identified:*

**ONI Number SNAP 12.23.02****Initial Engagement Process**

*Applicable reference(s):* FloridaCommerce Memorandum entitled “Supplemental Nutrition Assistance Program Employment and Training Able-Bodied Adults without Dependents Initial Engagement Process Changes” Dated January 5, 2017.

Of the 13 case files reviewed where a 590-appointment setting code was entered in OSST, four (30.8 percent) participants did not have their initial appointment status selected within two business days of completion of the appointment or have “No show” recorded as required.

**Recurring Issue from Previous Year:** Yes (Prior year CAP verified; however, noncompliance continues to occur).

**Risk Impact:** Failure to expedite the assignment of and participation in qualifying SNAP activities affects performance reporting and could potentially result in overpayment of food assistance benefits to an ineligible individual.

**Required Action:** In addition to the general program CAP requirements, CSCF must provide an assurance with the CAP that all future initial appointment status codes will be entered in OSST timely. CSCF must also take necessary steps to ensure staff select the initial appointment status within two business days of completion of the appointment or have “No Show” indicated as required. Because this is a repeat issue, CSCF must reevaluate the cause and provide a plan of action or process with the CAP for preventing a recurrence of this issue in the future including more in-depth monitoring, documentation of staff training, and written notification to staff informing them of the requirements.

## OBSERVATION

The review revealed that CSCF's SNAP E&T LOPs should be updated to reflect procedures for removing participants from the automated process after the initial 30-day automatic activity enrollment in Job Search or Job Search Training. An updated LOP will help eliminate confusion and ensure that processes follow a planned and consistent approach across all career centers to guide and manage the program. A copy of the LOP must be provided with the CAP.

## WORKFORCE INNOVATION AND OPPORTUNITY ACT

### WIOA ADULT AND DISLOCATED WORKER PROGRAM

*The sample size consisted of 22 Adult and Dislocated Worker participant case files (14 Adults and eight Dislocated Workers).*

*The review did not reveal any Findings or ONIs; however, a common observation is noted under the WIOA Special Projects section below.*

### WIOA YOUTH PROGRAM

*The sample size consisted of 13 WIOA Out-of-School youth participant case files.*

*The review did not reveal any Findings or ONIs; however, a common observation is noted under the WIOA Special Projects section below.*

### WIOA SPECIAL PROJECTS

*The sample size consisted of 21 participant case files for the following special projects: Apprenticeship USA (three); Fostering Opioid Recovery DWG (three) Hurricane Ian DWG (three); Center Training for the Visually Impaired (three); Integrated Services Pilot Project (LCAA) (three); 831-PY 21 At-Risk Floridians – Adult (three).*

*The following issues were observed:*

#### ONI Number WIOA 12.23.03

##### **Non-ITA Occupational Skills Training**

*Applicable reference(s): 20 CFR 680.410-420; WIOA Section 122 (b)(1)(D) & 134 (c); TEGL 13-16; CareerSource Florida AP 90; and Employ Florida Service Code Guide.*

Of the eight Adult Special Project participants enrolled in occupational skills training, three (37.5 percent) were recorded as a service code 300 (Approved Provided ITA) in Employ Florida; however, the training should have been recorded as a service code 328 (Non-Approved Provider – No ITA).

**Note:** According to CSCF staff, payment for the training was recorded in error. The OST was not paid through an ITA but rather through a vendor/contractor reimbursable agreement as outlined in the contract, which was later verified by FloridaCommerce monitoring staff.

**Recurring Issue from Previous Year:** No.

**Risk Impact:** Misapplying and/or incorrectly recording training codes can affect performance reporting and can also be construed to mean that ITAs were used by approved training providers and in demand occupations which were not approved for use of an ITA.

**Required Action:** In addition to the general program CAP requirements, CSCF must provide documentation showing that staff have entered a case note in the file stating that use of and recording an ITA for the participant's training was entered in error. CSCF must also provide an assurance that measures will be taken to ensure OST documentation is maintained in the files and cross-referenced with data entered in the system for accuracy. Documentation of written notification to staff must also be provided to ensure case managers record the correct funding source so that finance can connect the invoice to the participant for payment and recording purposes.

### COMMON OBSERVATIONS

The following common observations regarding MSGs were noted in the WIOA Adult/DW, WIOA Youth, and the WIOA Special Projects file review.

- Of the 18 Adult/Dislocated Worker case files reviewed of participants enrolled in an education or training program, two (11.1 percent) did not have an MSG recorded in Employ Florida within the applicable program year.
- Of the 10 Youth Worker case files reviewed of participants enrolled in an education or training program, three (30.0 percent) did not have an MSG recorded in Employ Florida within the applicable program year.
- Of the seven special project case files reviewed of participants enrolled in an education or training program, two (28.6 percent) did not have an MSG recorded in Employ Florida within the applicable program year.

For future reference, it is recommended that CSCF provides training to staff to ensure they understand the requirements and intent of MSGs including how to review, document, and timely record results. If technical assistance or training is needed, CSCF should contact the Workforce Training & Coordination unit at [WFSTraining@commerce.fl.gov](mailto:WFSTraining@commerce.fl.gov).

### TRADE ADJUSTMENT ASSISTANCE PROGRAM

*The sample size consisted of three participant case files. The following issue was identified:*

#### ONI Number TAA 12.23.04

##### Training Benchmarks

*Applicable reference(s):* TEGLs 10-11, 7-13, and 05-15; 20 CFR 618.600-665; and CareerSource Florida AP 107.

Of the three participant case files reviewed, the training benchmarks for one (33.3 percent) participant was not established, recorded in the TAA Program Application in Employ Florida, or reviewed and documented every 60 days as required as goals were reached.

**Recurring Issue from Previous Year:** Yes (Prior year CAP verified; however, noncompliance continues to occur).

**Risk Impact:** Failure to create, review, and accurately update benchmarks in Employ Florida may negatively impact performance results as well as participant completion of planned training services and activities.

**Required Action:** In addition to the general program CAP requirements, CSCF must provide documentation showing that staff have reviewed, verified, and documented the participant's ongoing progress and satisfactory participation in approved training activities if the case file is still active. Because this is a repeat issue, CSCF must

reevaluate the cause and provide a plan of action or process for preventing a recurrence of this issue in the future including documentation of staff training.

Note: For future reference, benchmarks should be reviewed in intervals no greater than 60 days beginning on the training start date and recorded in the participant's TAA program application training benchmark section in Employ Florida. Supporting documentation such as grades, test scores, instructor's communication or school progress reports, attendance, class drops, changes, other income from grants, and any resulting employment must also be verified and uploaded to Employ Florida.

## WAGNER-PEYSER PROGRAM

*The sample size consisted of 45 participant case files (20 job seekers, 15 job orders, and 10 job seeker placements). The following issues were identified:*

### Finding Number WP 12.23.02

#### Placement Verification

*Applicable reference(s):* 20 CFR 651.10; 20 CFR 680.170; TEGL 19-16; and CareerSource Florida AP 099.

Of the 10 job seekers placements reviewed, the following issues were identified:

- Three (30.0 percent) were missing documentation verifying the placement and another two (20.0 percent) were missing the job seeker start date in case notes.
- One (10.0 percent) job seeker's hourly wage for the placement did not match on either the job order case note or the placement entry on the Employ Florida activity service plan.

Additionally, of the 10 job orders reviewed with multiple job seeker placements, one (10.0 percent) did not have case notes entered at the time of verification and recording of the placement. Verification documentation was entered a year after the entry of the placement in Employ Florida.

**Recurring Issue from Previous Year:** No.

**Risk Impact:** Noncompliance with placement guidelines has an impact on performance reporting (Monthly Management Report and other staff reports), as well as erroneous information being recorded in the system if placements are not valid.

**Required Action:** In addition to the general program CAP requirements, CSCF must attest and/or provide documentation with the CAP that the placements and job orders have been reviewed, verified, and documented in case notes in Employ Florida if the job orders are still open. Additionally, CSCF must provide an assurance that verification of placements will occur and case notes will be entered on all job orders and/or the job seeker activity service screen in Employ Florida documenting staff verification of the placement in the future.

### Finding Number WP 12.23.03

#### Job Seeker Permissions and Requirements for Referrals

*Applicable reference(s):* 20 CFR 651.10; TEGL 19-16; and CareerSource Florida AP 096 and 099.

Of the 10 job seekers referred by staff to job orders in Employ Florida, three (30.0 percent) were missing full registrations in Employ Florida prior to the referral. One (10.0 percent) was also missing documentation of permission of staff to refer the job seeker to the job order.



Note: For future reference, staff registration of a new job seeker in Employ Florida and referral to job orders by staff have specific guidelines that must be followed such as obtaining the job seeker's permission prior to referring a job seeker to a job order. Job seekers must also have a full application in Employ Florida prior to receiving a staff-assisted referral.

**Recurring Issue from Previous Year:** No.

**Risk Impact:** Failure to document permission of staff registration, staff referrals, or obtaining a full application before participation has an impact on performance reporting and can also lead to erroneous or fraudulent job seeker entry of invalid or false registrations.

**Required Action:** In addition to the general program CAP requirements, CSCF must provide documentation of the efforts made by staff to contact and verify the job seekers' permission to refer to the job order and to complete a full application if the case files are still active. CSCF must also provide an assurance with the CAP that staff will take necessary steps to document permission for all future staff-assisted referrals on the job seeker's Employ Florida account. Additionally, CSCF must provide an assurance that full applications are completed and documented in Employ Florida when staff-assisted referrals are made. Written notification to staff on the requirements must also be provided with the CAP.

#### REEMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENT PROGRAM

The RESEA program review focused on CSCF's compliance with the requirements of the grant to assist Reemployment Assistance claimants in returning to work faster by connecting claimants/participants with in-person assessments, and reemployment services and opportunities to further their reemployment goals and successful employment outcomes.

***The sample size consisted of five participant case files. The following issue was identified:***

#### ONI Number WP 12.23.05

##### **RESEA Responsibility Statement Form**

*Applicable reference(s):* CareerSource Florida AP 068.

Each participant must have a copy of the RESEA Responsibility Statement form available and signed and dated by the RESEA participant and CSCF staff.

Of the five RESEA participant case files reviewed, two (40.0 percent) of the RESEA Responsibility Statement forms did not include the signature of the CSCF staff person.

**Recurring Issue from Previous Year:** No.

**Risk Impact:** Absence of required CSCF signatures of staff on the RESEA form could impact the participant's ability to attain suitable employment and could also have a bearing on participant funding.

**Required Action:** In addition to the general program CAP requirements, CSCF must provide documentation that the signatures have been obtained from the appropriate parties if the cases are still active. An assurance must also be provided that CSCF staff will take necessary steps in the future to monitor and verify that signatures have been obtained and forms maintained in the case files.

### CAREER CENTER CREDENTIALING

The career center credentialing review focused on ensuring administrative requirements and records were posted and maintained, and that front-line staff had completed all required Florida Certified Workforce Professional Tier I certification and continuing education courses. The review also verified whether an ES Complaint System was in place to process any complaints received.

*The review did not reveal any Findings, ONIs, or Observations.*

### COMPLAINT SYSTEM

*The sample size consisted of 46 complaint logs.*

*The review did not reveal any Findings, ONIs, or Observations.*

### JOBS FOR VETERANS STATE GRANT PROGRAM

*The sample size consisted of 15 participant case files. The following issue was identified:*

#### Finding Number JVSG 12.23.04

##### Veteran Service Code Entry

*Applicable reference(s): CareerSource Florida AP 102 and 117; and Employ Florida Service Code Guide.*

Of the 15 veteran case files reviewed:

- One (6.7 percent) did not have entry of the service code V04 (IEP Update) recorded in Employ Florida indicating the IEP was reviewed with the veteran within 30 days of creation and every 30 days thereafter to ensure progress in completing the objectives.
- One (6.7 percent) did not have a service code 168 (Referral for DVOP Follow-Up) entered within two business days of when the DVOP Specialist conducted the follow-up with the veteran.
- Two (13.3 percent) did not have service code V09 (JVSG Consistent Contact) recorded in Employ Florida indicating consistent contact from a DVOP Specialist at least once every 30 days during the review period.

**Recurring Issue from Previous Year:** No.

**Risk Impact:** Failure to screen, identify, and accurately document and record veteran program information could affect veteran service delivery and limit veterans from receiving qualifying services. Additionally, absence of a regular review of a veteran's IEP and progress reduces staff's ability to work effectively and efficiently with veterans in delivering services, tracking employability goals, completion of objectives, and determining what additional steps the veteran is required to do to attain their goals.

**Required Action:** In addition to the general program CAP requirements, CSCF must provide an assurance with the CAP that service codes and corresponding case notes will be timely recorded in Employ Florida and applied correctly whenever a service has been provided. CSCF must also ensure that services are entered according to the deadlines established in guidance. Additionally, DVOP staff must ensure that veterans are contacted every 30 days and that the contact is recorded as a service code V09 and documented in case notes in Employ Florida. DVOP staff must also review and ensure that all initial and subsequent IEPs will be updated within 30 days of creation and, at a minimum, every 30 days thereafter, and that case notes and appropriate service codes will be recorded in Employ Florida identifying all required elements of the service(s) provided.

#### IV. FINANCIAL DISCLOSURE REVIEW

The Financial Disclosure review focused on determining CSCF's compliance with financial disclosure requirements as referenced in Sections 112.3145 and 445.07, F.S.; and CareerSource FG-075.

*The review did not reveal any Findings, ONIs or Observations.*

#### V. COLLECTION OF DEMOGRAPHIC DATA

The purpose of this section of the review is to determine CSCF's compliance with the nondiscrimination and equal opportunity provisions of 29 CFR Part 37 and FloridaCommerce's Guidelines for Compliance with Section 188 of WIOA regarding Collection of Demographic Data.

*The review did not reveal any Findings, ONIs, or Observations.*

#### VI. MANAGEMENT REVIEW PROCESS

The purpose of this review is to determine whether CSCF is implementing requirements associated with local merit staffing responsibilities for FloridaCommerce staff assigned to work under the functional supervision of CSCF, local sector strategy implementation, and local board governance activities.

*The following issue was identified:*

##### Finding Number 12.23.05

##### **Local Board Governance New Board Member Orientation**

*Applicable Reference(s): CareerSource Florida AP 110.*

One local board member appointed during the review period did not complete the required orientation training within six months of appointment to the board.

**Recurring Issue from Previous Year:** No.

**Risk Impact:** Orientation training is required for board members to ensure they are aware of policies, procedures, and requirements of the board and board members. Additionally, absence of board membership training may affect board member decision making.

**Required Action:** In addition to the general required CAP actions, CSCF must provide documentation with the CAP that training has been or will be provided to the outstanding board member including a timeline for completion. CSCF must also provide an assurance that all board members will complete orientation and training within six months of appointment to the board in the future. Additionally, CSCF must develop specific procedures, processes, and/or guidelines on board governance requirements and consider developing a matrix of requirements for tracking and timely advising board members of training as well as other requirements and following up to ensure this has been done. A copy of the procedures must be provided with the CAP.

## VII. MANAGEMENT INFORMATION SYSTEMS

The MIS security check focused on the effectiveness of CSCF's information security controls and whether business processes and policies are in place that protect FloridaCommerce data and information technology resources and complies with FloridaCommerce's IT guidelines and the FloridaCommerce/CSCF Grantee-Subgrantee agreement requirements.

*The review did not reveal any Findings, ONIs, or Observations.*

## VIII. TRAINING AND TECHNICAL ASSISTANCE

For questions and/or technical assistance in any of the program review areas, CSCF should contact OSPS at the following email addresses:

- WT – [WTProgram@commerce.fl.gov](mailto:WTProgram@commerce.fl.gov)
- SNAP – [SNAPETProgram@commerce.fl.gov](mailto:SNAPETProgram@commerce.fl.gov)
- WIOA – [WIOA@commerce.fl.gov](mailto:WIOA@commerce.fl.gov)
- TAA – [TAA@commerce.fl.gov](mailto:TAA@commerce.fl.gov)
- WP – [Wagner.Peyser@commerce.fl.gov](mailto:Wagner.Peyser@commerce.fl.gov)
- RESEA – [RESEA@commerce.fl.gov](mailto:RESEA@commerce.fl.gov)
- FLC – [H-2A.JobOrder@commerce.fl.gov](mailto:H-2A.JobOrder@commerce.fl.gov) and [H-2BJobOrder@commerce.fl.gov](mailto:H-2BJobOrder@commerce.fl.gov)
- MSFW – [State Monitor Advocate \(via direct email\)](#)
- JVSG – [VETS@commerce.fl.gov](mailto:VETS@commerce.fl.gov)

Additional training can be requested by sending a [Training Request Form](#) to [WFSTraining@commerce.gov.fl](mailto:WFSTraining@commerce.gov.fl).

## CORRECTIVE ACTION PLAN REQUIREMENTS

A CAP is required to address how CSCF will correct any programmatic and financial management findings and ONIs identified in the report. For the noted deficiencies, required actions and recommendations have been provided to help respond to the issues identified, develop and implement processes that result in positive program practices and performance outcomes, and help to improve the quality and integrity of the data collected.

## IX. ENTRANCE AND EXIT CONFERENCE ATTENDEES:

A joint programmatic and financial monitoring entrance conference with CSCF staff was conducted on February 13, 2023. The programmatic exit conference was conducted on February 17, 2023; however, the financial monitoring exit conference was conducted on October 2, 2023. The entrance/exit conference attendees are listed below:

NAME	Agency	Entrance Conference	Exit Conference
Sharon Saulter	FloridaCommerce (Review Lead)	x	x
Yolanda Garcia	FloridaCommerce	x	x
Sanchez Emanuel	FloridaCommerce	x	x
Barbara Walker	FloridaCommerce	x	x
Terry Wester-Johnson	FloridaCommerce	x	x
Andy Windsor	FloridaCommerce	x	x
Vincent Lynn	FloridaCommerce	x	x
Raymond Isham	FloridaCommerce	x	x
Minerva Figueroa	FloridaCommerce	x	x
Carol Booth	FloridaCommerce	x	x
Katina Williams	FloridaCommerce	x	x
Matthew Yager	FloridaCommerce	x	x
Tameka Austin	FloridaCommerce	x	x
Paul Adams	FloridaCommerce	x	x
Awilda Carozza	FloridaCommerce	x	x
Giana Ronokarijo	CSCF	x	x
Nilda Banco	CSCF	x	x
Mimi Coenen	CSCF	x	x
Leo Alvarez	CSCF	x	x
Kristi Vilardi	CSCF	x	x

The joint monitoring entrance conference with CSCF staff was conducted on February 13, 2023. The financial monitoring exit conference was conducted on October 2, 2023. The entrance/exit conference attendees are listed below:

Robert Meadows	FloridaCommerce	x	x
Chadwick Myrick	FloridaCommerce	x	
Yvette McCollough	FloridaCommerce		x
Kristi Vilardi, Controller	CSCF	x	x
Leo Alvarez	CSCF		x



# **RETIREMENT 403B AUDIT REPORT**

**CAREERSOURCE CENTRAL FLORIDA  
403(b) PLAN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE**

***As of June 30, 2023 and 2022 and  
for the Year Ended June 30, 2023***

***And Report of Independent Auditor***

**CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN**  
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Note: All other schedules required by Section 2520.103-10 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Draft



## Report of Independent Auditor

To the Plan Administrator  
 CareerSource Central Florida 403(b) Plan  
 Orlando, Florida

### Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed an audit of the accompanying financial statements of CareerSource Central Florida 403(b) Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statements of net assets available for benefits as of June 30, 2023 and 2022, and the related statement of changes in net assets available for benefits for the year ended June 30, 2023, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of DOL's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institutions").

Management has obtained certifications from a qualified institutions as of June 30, 2023 and 2022, and for the year ended June 30, 2023, stating that the certified investments information, as described in Note 4 to the financial statements, is complete and accurate.

### Opinion

In our opinion, based on our audits and on the procedures performed as described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section:

- The amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the financial statements referred to above related to assets held by and certified to by qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meet the requirements of ERISA Section 103(a)(3)(C).

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

### **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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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 Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Plan'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 Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

### **Supplemental Schedule Required by ERISA**

The supplemental schedule, Schedule of Assets (Held at End of Year) – Form 5500, Schedule H, Part IV, Line 4i as of June 30, 2023 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified to by qualified institutions agrees to or is derived from, in all material respects, the information prepared and certified by institutions that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Orlando, Florida  
**REPORT DATE**

**CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN**  
**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

*JUNE 30, 2023 AND 2022*

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Investments, at fair value	\$ 9,175,069	\$ 7,412,457
Fully benefit-responsive investment contracts, at contract value	658,362	782,738
Notes receivable from participants	210,786	184,615
Employer contribution receivable	27,519	-
Participant contribution receivable	35,562	-
Total Assets	<u>10,107,298</u>	<u>8,379,810</u>
<b>LIABILITIES</b>		
Contributions refund payable	<u>2,081</u>	<u>-</u>
Net Assets Available for Benefits	<u>\$ 10,105,217</u>	<u>\$ 8,379,810</u>

Draft

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

**CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

YEAR ENDED JUNE 30, 2023

Additions (Losses) to Net Assets Attributed to:	
Investment Income (Loss):	
Net appreciation in fair value of investments	\$ 648,219
Net depreciation in contract value of investments	(119,881)
Interest and dividends	243,872
Other income	51
Net Investment Income	<u>772,261</u>
Interest income on notes receivable from participants	<u>10,825</u>
Contributions:	
Participants	953,438
Employer	719,666
Other contributions, including rollovers	243,646
Total Contributions	<u>1,916,750</u>
Total Additions	<u>2,699,836</u>
Deductions from net assets attributed to:	
Benefits paid to participants	940,513
Administrative expenses	33,916
Total Deductions	<u>974,429</u>
Net increase in net assets available for benefits	1,725,407
Net assets available for benefits, beginning of year	<u>8,379,810</u>
Net assets available for benefits, end of year	<u><u>\$ 10,105,217</u></u>

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

## CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

### Note 1—Description of the Plan

The following description of the CareerSource Central Florida (formerly known as Workforce Central Florida) 403(b) Plan (the "Plan") provides only general information. Participants should refer to the Plan Agreement for a more comprehensive description of the Plan's provisions.

*General* – The Plan is a 403(b) defined contribution plan covering all eligible employees of CareerSource Central Florida (the "Company" or "Employer") as defined in the Plan document. The Plan has an effective date of October 1, 1999. Employees are automatically enrolled in the Plan once eligible with a deferral rate of 4% of compensation. Deferral contributions for each active participant having automatic enrollment contributions are increased annually by 1%, up to a maximum of 6% of compensation. The increase is every January 1. The automatic elective deferral contributions shall apply to participants at the time they enter or reenter the Plan and shall also apply to active participants that are deferring less than 6% or who are not deferring. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan was restated effective August 21, 2021.

*Eligibility* – All employees are eligible to participate in the Plan with the exception of employees who normally work less than 20 hours per week and employees who are enrolled as students and regularly attend classes offered by the Employer. Eligible employees can make elective deferrals beginning on their date of hire and can receive Employer contributions after the employee has completed six months of service and upon attaining the age of 21 years.

*Contributions* – Under the Plan, eligible participants may elect to contribute up to 100% of their compensation for the year, not to exceed the Internal Revenue Service ("IRS") limitation of \$22,500 for the Plan year ended June 30, 2023. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Company provides matching contributions equal to 100% of a participant's elective deferrals not to exceed 8% of the participant's compensation. The Company may make discretionary contributions as well, not to exceed the maximum amount that may be contributed under the law.

*Catch-Up Contributions* – For the year ended June 30, 2023, if a participant is eligible to make contributions and reaches age 50 before the end of the calendar year, the participant may contribute an additional \$7,500 into the Plan as a pre-tax contribution subject to certain IRC limitations. Catch-up contributions are not eligible for matching contributions made by the Company.

*Participant Accounts* – Each participant's account is credited with the employee contributions, the Company's contributions, Plan earnings (loss), and an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. Participants may direct the investment of their account balances into various funds offered by the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

*Vesting* – Employee contributions and rollover contributions are immediately vested. Employer contributions vest according to the following schedule, with a year of service defined as a one-year period ending on June 30 in which the participant has 1,000 or more hours of service:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1 year	0%
1 year	25%
2 years	50%
3 years	100%

## CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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### Note 1—Description of the Plan (continued)

*Benefits Paid to Participants* – A participant may withdraw any part of his or her vested account resulting from voluntary contributions or rollover contributions at any time. A participant may withdraw any part of his or her vested account resulting from elective deferral contributions, matching contributions, qualified non-elective contributions, additional contributions, and discretionary contributions any time after he or she attains age 59½. Age 59½ withdrawals may be made once annually in any 12-month period. Withdrawals may be a single lump-sum distribution or annual installments.

*Notes Receivable from Participants* – Participants are permitted to take loans from the Plan from a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Participants are allowed no more than one outstanding loan at a time. The loan is secured by the balance in the participant's account and bears interest at a rate available from similar lending institutions. The maximum term of any loan may not exceed five years, unless it is for the purpose of buying, building or substantially rehabilitating a primary residence.

*Plan Expenses* – The Plan permits the payment of Plan expenses to be made from the Plan's assets. If the Company does not pay the Plan expenses from its own assets, then the expenses will be paid using the Plan's assets and will generally be allocated among the accounts of all participants in the Plan. Investment fees are allocated to participants in proportion to the amount of their account balance. Participant fees are charged directly to the accounts of the participants who incur those fees.

### Note 2—Summary of significant accounting policies

*Basis of Accounting* – The accompanying financial statements have been prepared on the accrual basis of accounting, except for benefit payments, which are reported on a cash basis in accordance accounting principles generally accepted in the United States of America (“U.S. GAAP”).

*Use of Estimates* – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

*Risks and Uncertainties* – Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with credit investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net assets available for benefits.

*Notes Receivable from Participants* – Notes receivable from participants are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participants' account balances. Delinquent notes receivable from participants are recorded as deemed distributions based on terms of the Plan document.

*Investment Options* – Participants may direct 100% of their allocation of contributions with the Principal Trust Company (“Principal”) or the Equitable Financial Life Insurance Company (“Equitable”), the “Qualified Institutions” of the Plan. Within Principal and Equitable, participants may select between a number of investment options.

## CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

### Note 2—Summary of significant accounting policies (continued)

*Investment Recognition* – Investments are reported at fair value, except for fully benefit-responsive investments, which are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Fair value determinations are made based upon a hierarchy that prioritizes the inputs to valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

Three levels of inputs may be used to measure fair value:

*Level 1* – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

*Level 2* – Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date; and

*Level 3* – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability, including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following are descriptions of the valuation methodologies used for instruments measured at fair value:

*Mutual Funds* – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (“NAV”) and to transact at that price. NAV is a quoted price in an active market and classified within Level 1 of the valuation hierarchy.

*Mutual Funds, Index Funds, and Variable Annuity Balanced Mutual Funds in Pooled Separate Accounts* – These assets are not available in an exchange or an active market; however, as a practical expedient, the fair value is determined based on NAV of the underlying assets as traded in an exchange or active market. Pooled separate accounts using NAV as a practical expedient have not been classified under the fair value hierarchy.

*Guaranteed Investment Contracts (Non-Fully Benefit Responsive Portion)* – These investments are guaranteed fixed income annuities backed by Equitable claims paying ability whereby the annuities guarantee principal and a minimum interest rate. The non-fully benefit responsive portion of these contracts provides an opportunity for additional amounts in excess of the guaranteed rate and is reported at fair value, classified within Level 3 of the valuation hierarchy. See Note 5 for further details.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



**CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2023 AND 2022

**Note 2—Summary of significant accounting policies (continued)**

*Payment of Benefits* – Benefits paid to participants are recorded when paid.

*Deemed Loan Distributions* – Deemed loan distributions are recorded when the participant defaults on the loan.

*Forfeitures* – As of June 30, 2023 and 2022, there were \$20,763 and \$12,592, respectively, in forfeited nonvested accounts. These accounts may be used to reduce future Employer contributions or to pay administrative expenses.

*Administrative Expenses* – Plan administrative expenses are paid out of Plan assets, unless otherwise stated.

**Note 3—Fair value measurement**

Below are the Plan's financial instruments carried at fair value on a recurring basis by the fair value hierarchy levels as of June 30:

	2023				Total Fair Value
	Level 1	Level 2	Level 3	Other <sup>(a)</sup>	
Mutual funds	\$ 8,717,167	\$ -	\$ -	\$ -	\$ 8,717,167
Pooled separate accounts	-	-	-	323,910	323,910
Guaranteed investment contracts	-	-	133,992	-	133,992
Total investments at fair value	<u>\$ 8,717,167</u>	<u>-</u>	<u>\$ 133,992</u>	<u>\$ 323,910</u>	9,175,069
Guaranteed investment contracts, at contract value					658,362
Total investments					<u>\$ 9,833,431</u>
	2022				
	Level 1	Level 2	Level 3	Other <sup>(a)</sup>	Total Fair Value
Mutual funds	\$ 6,988,457	\$ -	\$ -	\$ -	\$ 6,988,457
Pooled separate accounts	-	-	-	293,868	293,868
Guaranteed investment contracts	-	-	130,132	-	130,132
Total investments at fair value	<u>\$ 6,988,457</u>	<u>\$ -</u>	<u>\$ 130,132</u>	<u>\$ 293,868</u>	7,412,457
Guaranteed investment contracts, at contract value					782,738
Total investments					<u>\$ 8,195,195</u>

(a) In accordance with U.S. GAAP, certain investments that are measured at fair value using NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

**CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN**  
**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2023 AND 2022

**Note 3—Fair value measurement (continued)**

The following tables summarize certain information about investments measured at fair value based on NAV per share, which are not readily determinable, as of June 30:

<b>2023</b>				
<b>Asset</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Pooled separate accounts	\$ 323,910	n/a	Daily	30 days

<b>2022</b>				
<b>Asset</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Pooled separate accounts	\$ 293,868	n/a	Daily	30 days

The following table shows the amounts of transfers into and out of purchases, and issues of Level 3 investments for the year ended June 30, 2023:

Transfers In	<u><u>\$ 3</u></u>
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The following tables summarize investments for which fair value is shown under Level 3 hierarchy as of June 30, 2023:

<b>2023</b>				
<b>Asset</b>	<b>Fair Value</b>	<b>Valuation Technique</b>	<b>Unobservable Inputs</b>	<b>Rate (weighted average)</b>
Guaranteed investment contracts	\$ 133,992	Discounted cash flow	Risk - adjusted discount rate applied	1.00% - 3.00%

<b>2022</b>				
<b>Asset</b>	<b>Fair Value</b>	<b>Valuation Technique</b>	<b>Unobservable Inputs</b>	<b>Rate (weighted average)</b>
Guaranteed investment contracts	\$ 130,132	Discounted cash flow	Risk - adjusted discount rate applied	1.00% - 3.00%

## CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

### Note 4—Information certified by the Custodians (unaudited)

The Plan has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Qualified Institutions, have certified to the completeness and accuracy of the following data included in the accompanying financial statements and supplemental schedule:

- Investments, at fair value, fully benefit-responsive investment contracts, at contract value, and notes receivable from participants as shown in the statements of net assets available for benefits as of June 30, 2023 and 2022.
- Net appreciation in fair value of investments, net depreciation in contract value of investments, interest and dividends, and interest income on notes receivable from participants as shown in the statement of changes in net assets available for benefits for the year ended June 30, 2023.
- Schedule of Assets (Held at End of Year) – Form 5500, Schedule H, Part IV, Line 4i as of June 30, 2023.

The Plan's independent auditor did not perform auditing procedures with respect to the certified information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

### Note 5—Guaranteed investment contracts with insurance companies

*Principal* – The Plan invests in a guaranteed fixed annuity contract with Principal. Principal maintains the contributions in the Principal General Account. Principal groups the premium dollars it receives over defined time periods into vintages, typically composed of one or more contiguous calendar months, for the purpose of determining the crediting rate to participant's accounts. The crediting rate for each vintage is determined, in part, by the net investment earnings rate of the Principal assets supporting that vintage, minus a charge for administrative expenses, and an amount set aside for contingency reserves. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Because the guaranteed investment contract with Principal is fully benefit-responsive, contract value is the relevant measurement attribute for the net assets available for benefits attributable to this guaranteed investment contract. The fully benefit-responsive investment contract included in the financial statements at contract value as reported to the Plan by Principal (\$658,362 and \$782,738 at June 30, 2023 and 2022, respectively, unaudited).

The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting interest rate is based on a formula agreed upon with the issuer. The interest rate credited to participants of the investment contracts for the Plan was 1.30% for the year ended June 30, 2023.

Certain events limit the Plan's ability to transact at contract value with Principal. Such events include the following: (a) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (b) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under the ERISA. The Plan administrator does not believe any events that would limit the Plan's ability to transact at contract value with Plan participants are probable of occurring.

## CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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### Note 5—Guaranteed investment contracts with insurance companies (continued)

The guaranteed investment contract does not permit Principal to terminate the agreement prior to the scheduled maturity date.

*Equitable* – The Plan invests in guaranteed interest investments with Equitable. Each participant's account is credited with the participant's contribution, an allocation of the Employer's contribution and Plan earnings, and is charged for Plan withdrawals.

As described in Note 2, the guaranteed investment contract with Equitable is not fully benefit-responsive; accordingly, fair value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. The fair value of the investment contracts at June 30, 2023 and 2022 was \$133,992 and \$130,132, respectively, (unaudited).

Certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. The contracts may be terminated by the Plan sponsor by providing notice of termination. Employer directed withdrawals, including termination, may be subject to a surrender charge, as outlined in the agreement. No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers and that also would limit the ability of the plan to transact at contract value with the participants.

### Note 6—Party-in-interest transactions

Plan investments are held and managed by the Qualified Institutions and qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA. Notes receivable from participants also qualify as party-in-interest transactions.

Fees paid by the Plan for the investment management services of Principal and Equitable amounted to \$33,916 for the year ended June 30, 2023, and are recorded in net appreciation in fair value of investments and net depreciation in contract value of investments.

### Note 7—Plan termination

The Company believes the Plan will continue without interruption but reserves the right to discontinue the Plan. In the event such discontinuance results in termination of the Plan, the Plan provides that the assets be allocated among the participants and beneficiaries in the amounts credited to each participant's respective account at the effective date of such termination. Distribution of participant account balances will occur as soon as administratively feasible upon termination of the Plan.

### Note 8—Tax status

The Internal Revenue Service is developing a determination letter program for Section 403(b) plans; however, the procedures for a Section 403(b) plan determination letter program have not been issued. The Plan is designed through a prototype plan, and the prototype sponsor as well as the Company believe the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and has no income subject to business income tax.

**CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN**  
**NOTES TO THE FINANCIAL STATEMENTS***JUNE 30, 2023 AND 2022*

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**Note 8—Tax status (continued)**

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Plan management has analyzed the tax positions taken by the Plan, and has concluded that as of June 30, 2023 and 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to audit by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**Note 9—Subsequent events**

The Plan has evaluated subsequent events through **REPORT DATE** in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Draft

**SUPPLEMENTAL SCHEDULE**

Draft

**CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN**  
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**FORM 5500, SCHEDULE H, PART IV, LINE 4i**  
**EIN: 59-3396497, PLAN NUMBER: 001**

JUNE 30, 2023

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity, Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value
<b>Guaranteed Investment Contracts:</b>			
*	Principal	Principal Life Insurance Company Fixed Income Guaranteed Option	\$ 658,362
*	Equitable	AXA Equitable Life Insurance Company Fixed Income Guaranteed Option	133,992
<b>Total Guaranteed Investment Contracts</b>			<b>792,354</b>
<b>Mutual Funds:</b>			
*	Principal	American Century One Choice In Retirement A Fund	653,869
*	Principal	American Century One Choice 2025 A Fund	1,360,946
*	Principal	American Century One Choice 2030 A Fund	1,315,758
*	Principal	American Century One Choice 2035 A Fund	1,260,907
*	Principal	American Century One Choice 2040 A Fund	1,123,663
*	Principal	American Century One Choice 2045 A Fund	1,236,290
*	Principal	American Century One Choice 2050 A Fund	503,808
*	Principal	American Century One Choice 2055 A Fund	406,416
*	Principal	American Century One Choice 2060 A Fund	60,342
*	Principal	American Century One Choice 2065 A Fund	16,356
*	Principal	American Century MidCap Value A Fund	23,237
*	Principal	Invesco Divers Dividend A Fund	21,519
*	Principal	JanusHenderson Triton S Fund	21,707
*	Principal	MFS International Diversification R6 Fund	46,331
*	Principal	Principal LargeCap S&P 500 Index R5 Fund	391,457
*	Principal	Principal MidCap S&P 400 Index R5 Fund	58,903
*	Principal	Principal Real Estate Securities R6 Fund	55,472
*	Principal	Principal SmallCap S&P 600 Index R5 Fund	35,276
*	Principal	Western Asset Core Plus Bond A Fund	6,502
*	Principal	T. Rowe Price Blue Chip Growth Fund	58,080
*	Principal	Delaware Small Cap Value Fund	21,522
*	Principal	BlackRock Mid-Cap Growth Equity K Fund	38,806
<b>Total Mutual Funds</b>			<b>8,717,167</b>

**CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN**  
**SCHEDULE OF ASSETS (HELD AT END OF YEAR) (CONTINUED)**  
 FORM 5500, SCHEDULE H, PART IV, LINE 4i  
 EIN: 59-3396497, PLAN NUMBER: 001

JUNE 30, 2023

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity, Date, Rate of Interest, Collateral, Par or Maturity Value	(e) Current Value
<b>Pooled Separate Accounts:</b>			
*	Equitable	EQ/Equity 500 Index	\$ 20,700
*	Equitable	EQ/International Equity Index	693
*	Equitable	AXA/AB Small Cap Growth	969
*	Equitable	AXA/Horizon Small Cap Value	716
*	Equitable	Multimanager Aggressive Equity	34
*	Equitable	AXA Moderate Allocation	85,941
*	Equitable	AXA Conserv-Plus Allocation	17,115
*	Equitable	AXA Moderate-Plus Allocation	120,928
*	Equitable	AXA Aggressive Allocation	5,019
*	Equitable	AXA Aggressive Growth Strategy	9,838
*	Equitable	EQ/GAMCO Mergers & Acqu	402
*	Equitable	EQ/Small Cap Value	10,277
*	Equitable	EQ/Mid Cap Index	9,458
*	Equitable	EQ/Morgan Stanley Mid Cap Growth	573
*	Equitable	EQ/American Century Mid Cap Val	342
*	Equitable	AXA EQ Common Stock Index	18,778
*	Equitable	AXA Int Val Managed Vol	606
*	Equitable	AXA Lg Cap Grw Managed Vol	3,860
*	Equitable	AXA Glb Eqty Managed Vol	3,194
*	Equitable	AXA Mid Cap Val Managed Vol	1,505
*	Equitable	EQ/BlackRock Basic Value Eqty	2,092
*	Equitable	AXA Lg Cap Core Managed Vol	396
*	Equitable	AXA Int Core Managed Vol	6,737
*	Equitable	AXA Lg Cap Val Managed Vol	3,710
*	Equitable	EQ Money Market	27
<b>Total Pooled Separate Accounts</b>			<b>323,910</b>
<b>Notes Receivables from Participants:</b>			
*	Plan participants	Notes receivable from participants (interest rates 4.25% - 9.50%, maturing no later than April 2038), secured by participant accounts.	210,786
<b>Total Assets (Held at Year End)</b>			<b>\$ 10,044,217</b>

\* An asterisk in column (a) denotes a party-in-interest to the Plan.  
 Column (d) has not been presented as it is not required for participant directed accounts.

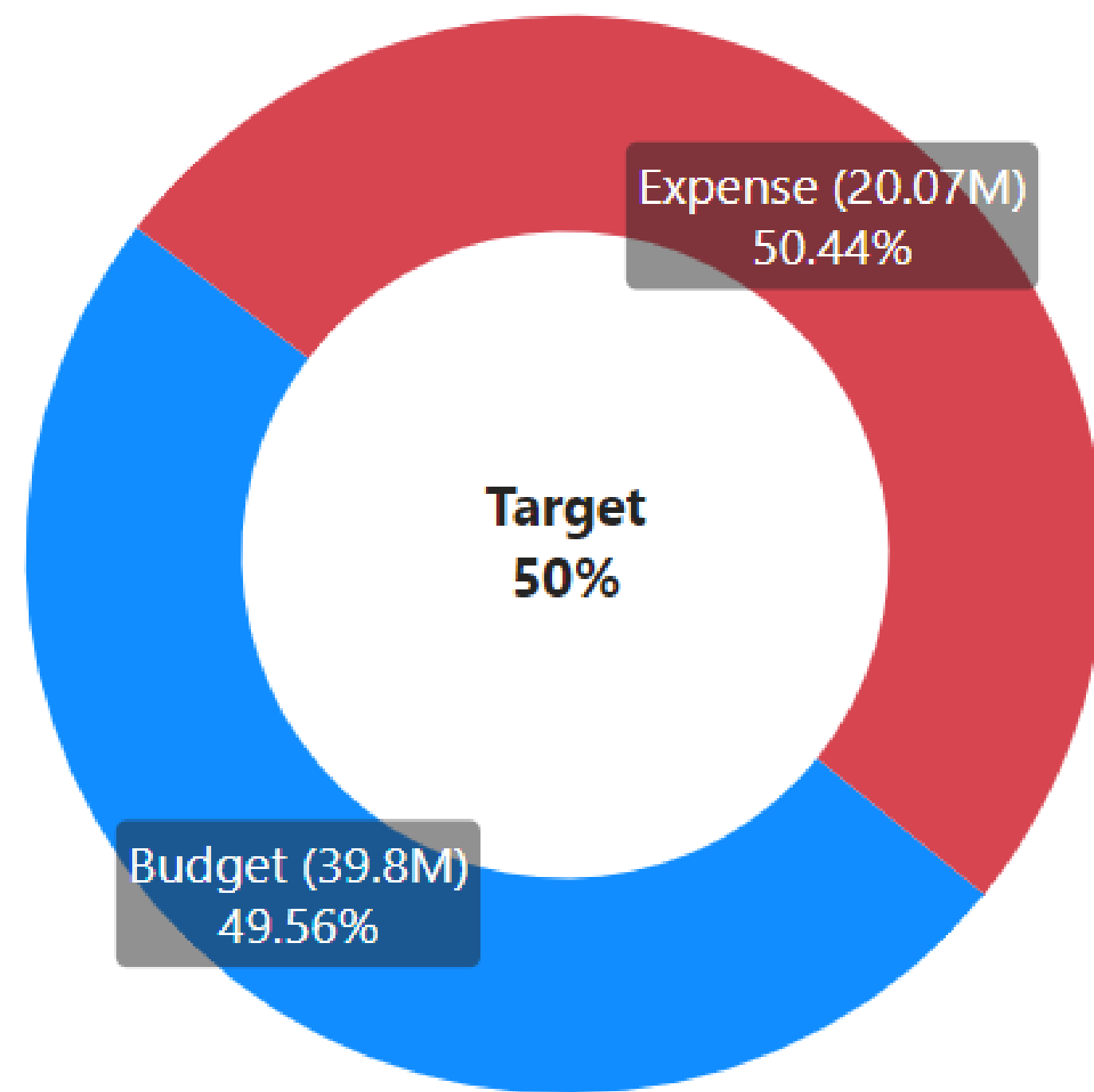




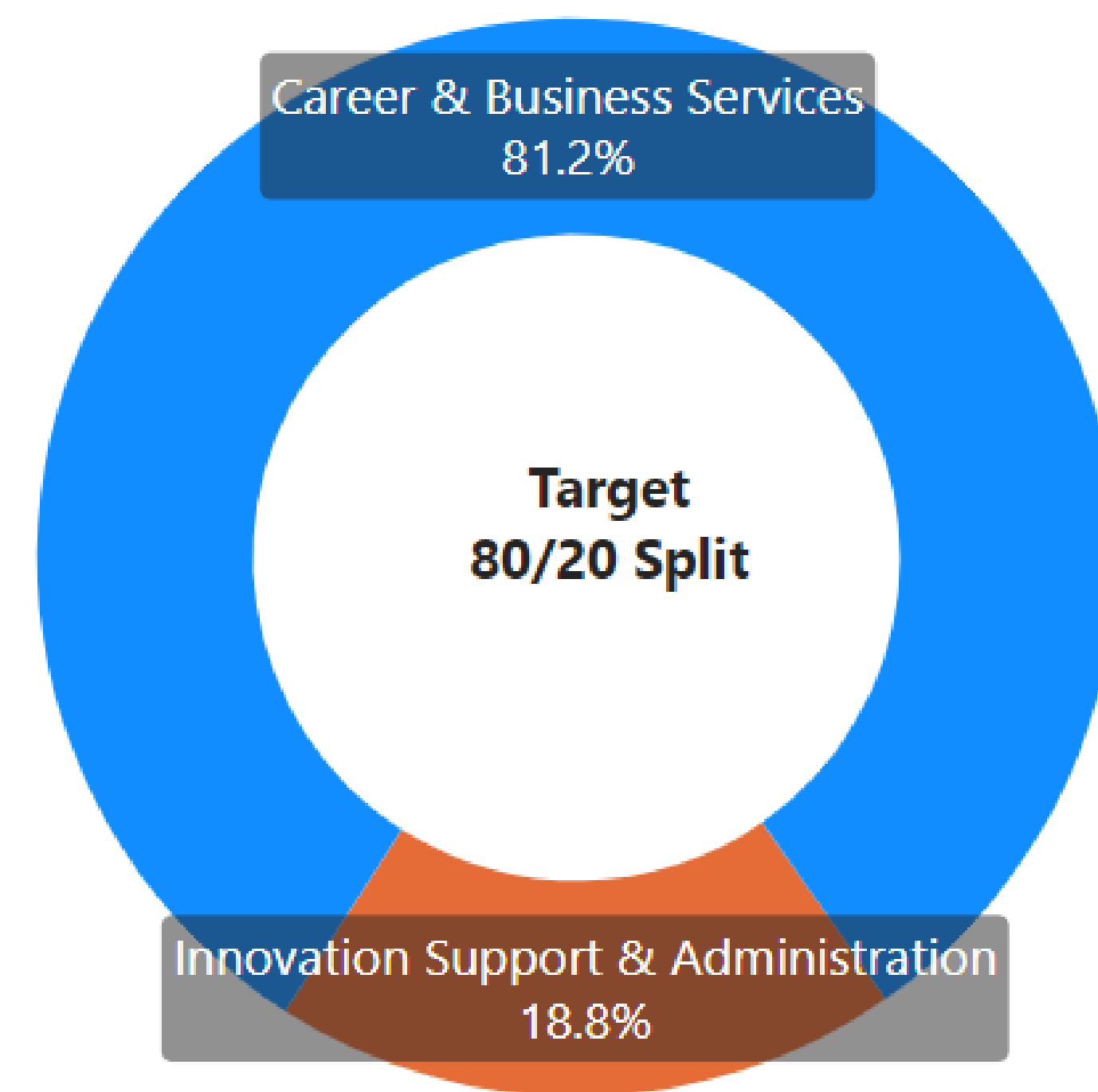
# **FY 2023 – 2024 MID-YEAR FINANCIALS**

# Budget Vs. Actual Through 12/31/2023

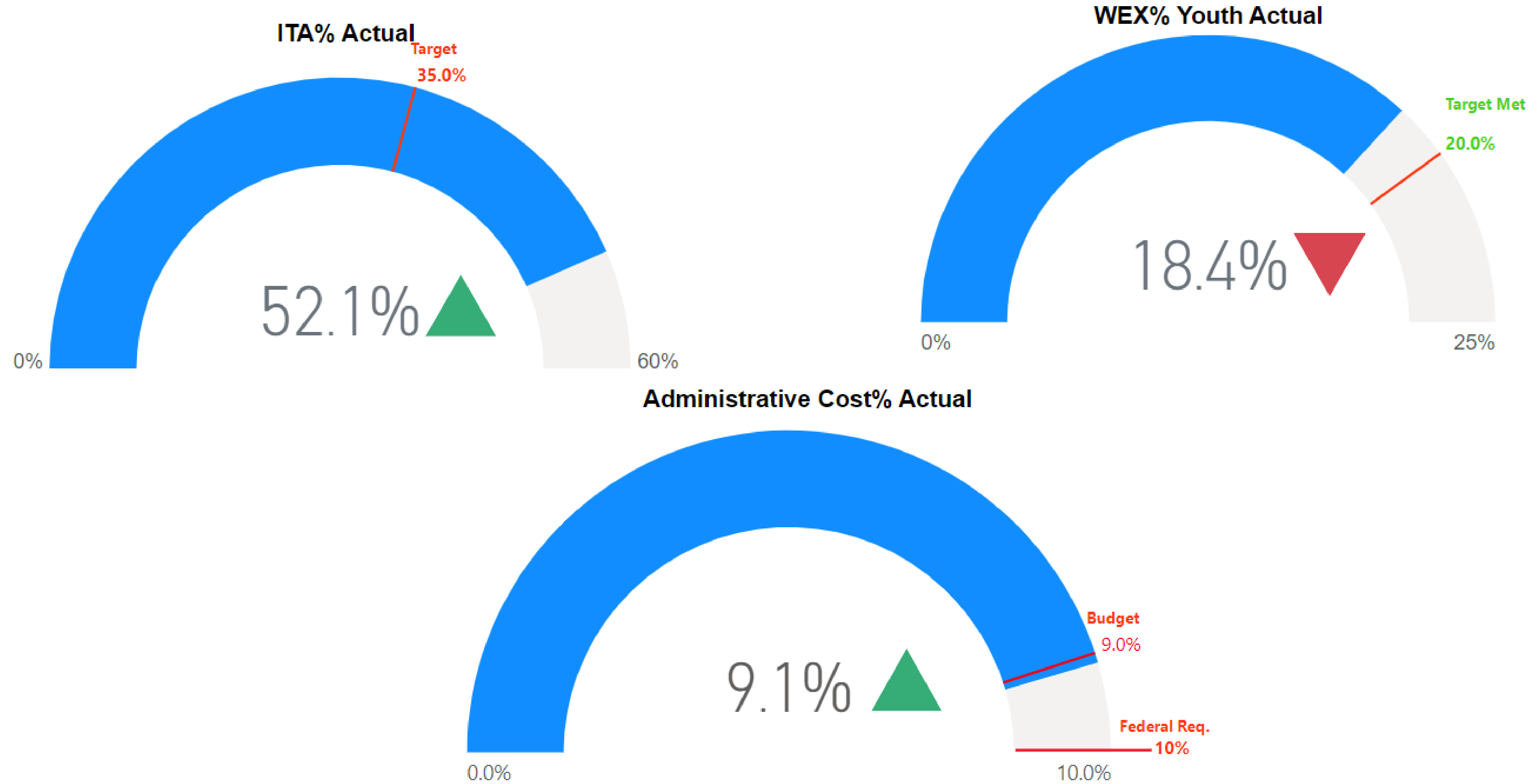
### Budget to Actual Expenses



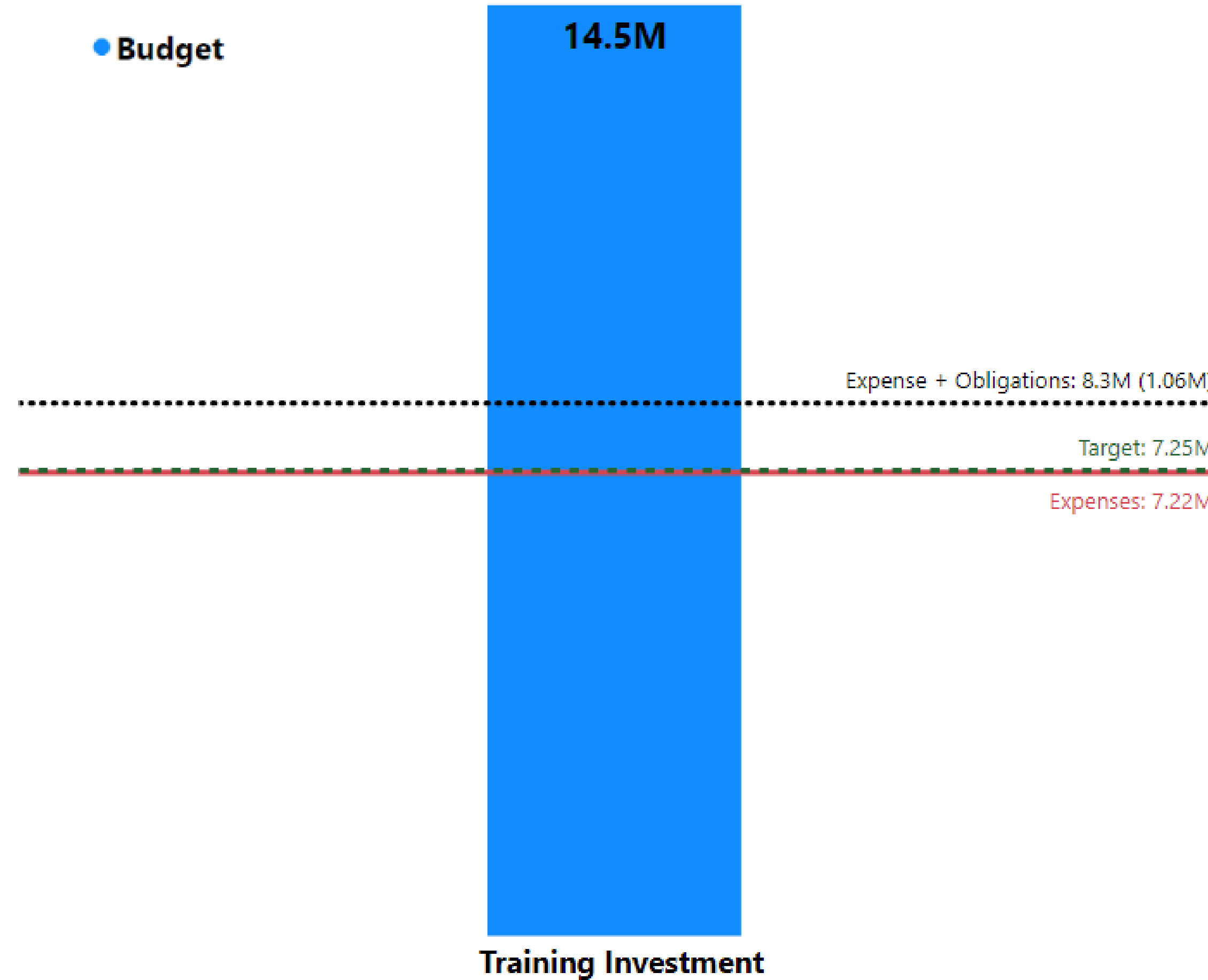
### Budget Operations/Support



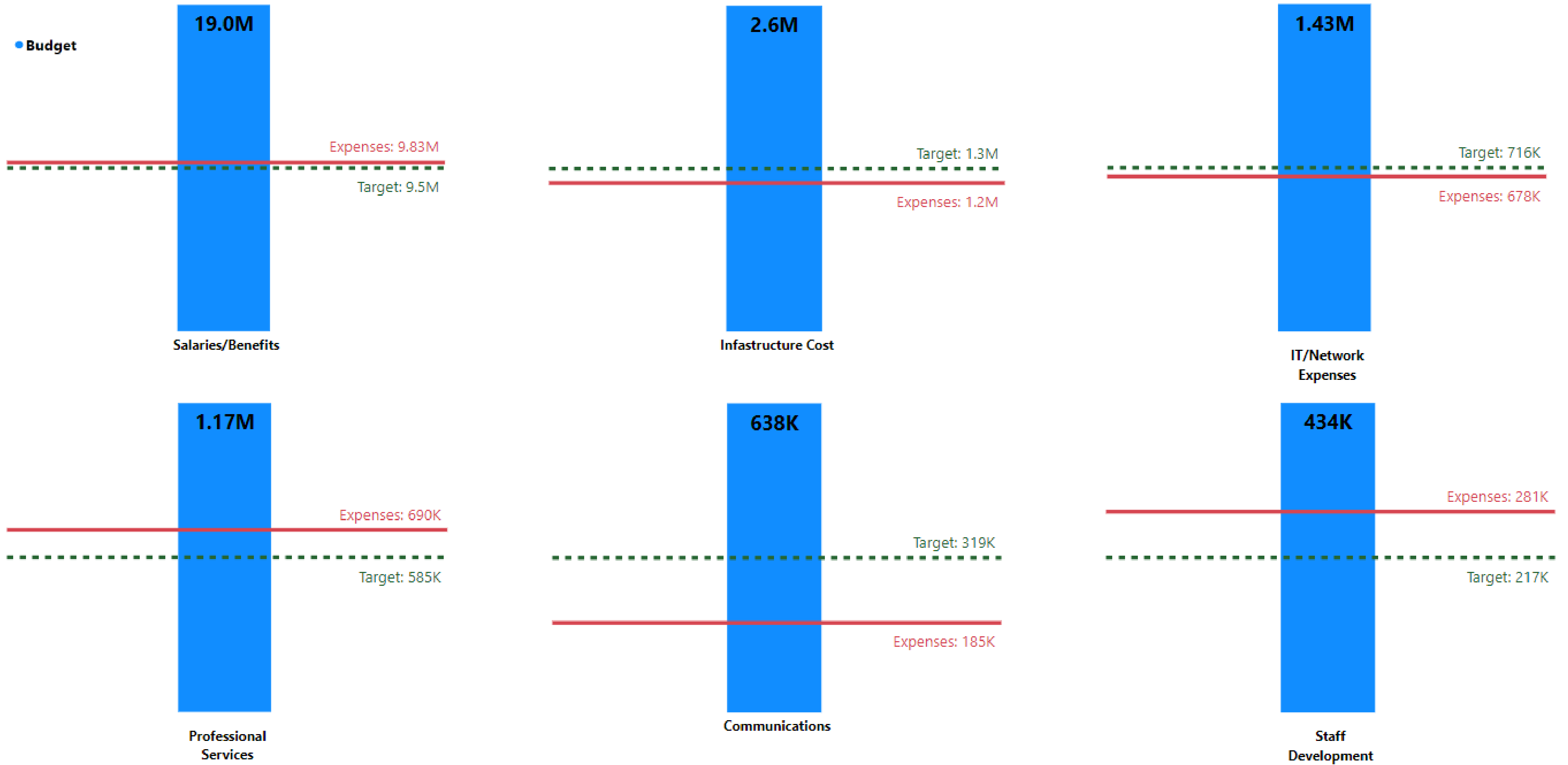
# Budget Federal/State Requirements – Through 12/31/2023



# Budget Federal/State Requirements – Through 12/31/2023



# Budget VS Actual by Expenditure Category 12/31/2023



**CareerSource Central Florida  
Budget vs. Actual Report (Summary)  
As of 12/31/23**

<b>CSCF Budget FY 2022 - 2023</b>			
Funding Sources	Total Revenue		
Carry In Funds From FY 21 - 22	16,960,163		
FY 22 - 23 Award	30,039,920		
Award Total - Available Funds	47,000,083		
LESS planned Carryover For FY 23 - 24	(7,200,083)		
<b>Total Available Funds Budgeted</b>	<b>39,800,000</b>	<b>Actual Expenditures</b>	<b>% of Expenditures</b>

**EXPENDITURE BY CATEGORY**

<b>Salaries/Benefits</b>	<b>19,001,000</b>	<b>9,825,314</b>	<b>51.7%</b>
<b>Training Investment</b>	<b>14,505,000</b>	<b>7,220,029</b>	<b>49.8%</b>
<b>Professional Services</b>	<b>1,170,000</b>	<b>689,542</b>	<b>58.9%</b>
<b>Outreach</b>	<b>638,000</b>	<b>184,952</b>	<b>29.0%</b>
<b>Infrastructure/Maintenance &amp; Related Cost</b>	<b>2,620,000</b>	<b>1,194,806</b>	<b>45.6%</b>
<b>IT Cost/Network Expenses</b>	<b>1,432,000</b>	<b>677,593</b>	<b>47.3%</b>
<b>Staff Development &amp; Capacity Building</b>	<b>434,000</b>	<b>281,428</b>	<b>64.8%</b>
<b>EXPENDITURES</b>	<b>39,800,000</b>	<b>20,073,664</b>	<b>50.4%</b>

CareerSource Central Florida  
Budget Versus Actual Report  
As of 12/31/23

CSCF Budget FY 2023 - 2024		INDIRECT COST	RESEA	WIOA Adult	Youth	WIOA DW	WT	TAA	SNAP	WP	DVOP	LVER	NEG IAN	Project Opioid	At Risk Floridians	RAPID RESPONSE	Re-Entry Navigator	Apprentice Navigator	WIOA - Expectant Mothers	Level Up Orange	YOUTHBUILD	Orange County CCC	UNRESTRICTED	Actual Expenditures	% of Expenditures
Funding Sources	Total Revenue	119	20	22	30	60	81	85	90	94	98	29	49	30ARF	30RR	-	-	-	375,045	51	145	1,320,000	-	-	-
Carry In Funds From FY 22 - 23	16,960,163	200,000	2,165,776	8,713	571,193	611,014	7,025	341,470	510,690	-	-	408,475	772,309	1,410,106	-	-	157,008	-	-	7,951,339	150,000	1,320,000	3,000,000	-	-
FY 23 - 24 Award	30,039,920	741,973	4,966,604	5,016,757	4,301,417	7,087,405	100,000	1,000,000	2,399,110	132,247	106,907	700,000	150,000	-	275,000	-	-	62,500	-	-	-	-	-	3,000,000	-
Award Total - Available Funds	47,000,083	941,973	7,132,380	5,025,470	4,872,610	7,698,419	107,025	1,341,470	2,909,800	132,247	106,907	1,108,475	922,309	1,410,106	275,000	-	157,008	62,500	375,045	7,951,339	150,000	1,320,000	3,000,000	-	-
LESS planned Carryover For FY 24 - 25	(7,200,083)	(200,000)	(1,000,000)	-	(1,405,083)	(795,000)	-	-	(300,000)	-	-	-	-	-	-	-	-	-	-	(2,000,000)	-	-	(1,500,000)	-	-
<b>Total Available Funds Budgeted</b>	<b>39,800,000</b>	<b>741,973</b>	<b>6,132,380</b>	<b>5,025,470</b>	<b>3,467,527</b>	<b>6,903,419</b>	<b>107,025</b>	<b>1,341,470</b>	<b>2,609,800</b>	<b>132,247</b>	<b>106,907</b>	<b>1,108,475</b>	<b>922,309</b>	<b>1,410,106</b>	<b>275,000</b>	<b>-</b>	<b>157,008</b>	<b>62,500</b>	<b>375,045</b>	<b>5,951,339</b>	<b>150,000</b>	<b>1,320,000</b>	<b>1,500,000</b>	<b>9,825,314</b>	<b>51.7%</b>
<b>PROGRAM</b>	<b>Authorized Budget</b>																								
Salaries/Benefits	19,001,000	1,466,421	363,877	2,125,883	1,197,294	219,821	1,647,411	2,903	556,345	315,316	73,470	54,838	27,451	183,668	262,971	131,566	13,737	79,953	61,445	882,105	61,934	-	96,907	9,825,314	51.7%
Training Investment	14,505,000	46	111	1,851,216	1,178,602	87,192	1,664,059	1,125	173	15,068	88	59	483,949	470,784	192,418	37	(0)	18	34,571	1,210,404	28,098	-	2,010	7,220,029	49.8%
Professional Services	1,170,000	141,554	8,837	51,311	28,317	5,433	227,722	254	13,794	29,986	7,031	4,867	442	4,433	6,270	2,942	4	1,467	1,460	121,856	1,487	-	30,077	689,542	58.9%
Outreach	638,000	4,782	3,883	31,459	29,308	2,322	45,690	103	6,288	12,876	3,551	2,485	188	2,177	2,875	1,510	(0)	626	2,783	5,756	626	-	25,666	184,952	29.0%
Infrastructure/Maintenance & Related Cost	2,620,000	95,471	12,762	89,852	48,503	7,639	61,034	377	20,526	759,237	11,800	8,309	744	6,712	10,642	4,402	11	2,420	2,267	224	2,120	-	49,755	1,194,806	45.6%
IT Cost/Network Expenses	1,432,000	64,210	26,491	154,252	86,574	15,666	88,537	833	40,948	90,630	21,033	15,636	1,694	13,350	18,956	8,847	33	7,092	4,415	7,106	4,402	-	6,888	677,593	47.3%
Staff Development & Capacity Building	434,000	45,948	9,158	53,308	32,765	5,735	41,362	257	15,300	31,530	7,153	5,775	513	5,095	7,253	2,912	8	1,522	1,451	4,708	1,448	-	8,228	281,428	64.8%
Indirect Cost (10%)		(1,478,892)	36,513	440,167	233,230	33,438	306,027	520	55,876	46,425	10,488	7,883	44,373	61,987	37,140	13,065	598	8,011	9,392	103,089	8,880	-	19,151		
EXPENDITURES	39,800,000	339,539	461,631	4,797,448	2,834,593	377,246	4,081,839	6,373	709,249	1,301,067	134,614	99,852	559,354	748,205	538,525	165,281	14,391	101,109	117,785	2,335,247	108,995	-	238,682	20,073,664	50.4%
FUNDING DECISIONS	-	-	-	(719,918)	88,162	720,031	-	-	-	25,690	-	-	-	-	-	-	(1,013)	(25,690)	-	-	(87,262)	-	-	(0)	
TOTAL BUDGET/EXPENDITURES	20,073,664	339,539	461,631	4,077,529	2,922,755	1,097,277	4,081,839	6,373	709,249	1,326,758	134,614	99,852	559,354	748,205	538,525	165,281	13,379	75,419	117,785	2,335,247	21,733	-	238,682	20,073,664	50.4%
TOTAL AVAILABLE FUNDS	19,726,337	(339,539)	280,342	2,054,851	2,102,715	2,370,250	2,821,580	100,652	632,221	1,283,042	(2,367)	7,055	549,121	174,104	871,581	109,719	143,629	(12,919)	257,260	3,616,092	128,267	1,320,000	1,261,318		
% OF FUNDS EXPENDED BY GRANT	50.4%		62.2%	66.5%	58.2%	31.6%	59.1%	6.0%	52.9%	50.8%	101.8%	93.4%	50.5%	81.1%	38.2%	60.1%	8.5%	120.7%	31.4%	39.2%	14.5%	0.0%	15.9%		
% OF FUNDS EXPENDED (INCLUDING OBLIGATIONS)	53.1%																								
TRAINING OBLIGATIONS	\$	% of Budget																							
Training Investment as of 12/31/23	7,220,029	A	49.8%	A - The states mandates that 35% of total WIOA adult and dislocated worker funds are spent in client intensive training activities.																					
Obligations (Training not yet billed by vendors)	1,059,679		7.3%																						
Total Training & Expenditures	8,279,708		57.1%	B - The state mandates that total administrative cost are not to exceed 10% of total cost.																					
NOVEMBER 2023	ACTUAL	TARGET																							
ITA % (Adult DW)	52.1%	35.0%																							
ITA% (Youth)	18.4%	20.0%																							
ADMINISTRATIVE COST %	9.1%	10.0%																							

**CareerSource Central Florida  
Current Year Budget and 2 yr Expenditure Comparison  
As of 12/31/23**

	CY	PY	\$	%
Funding Sources	Revenue	Revenue	Difference	Difference
Carry In Funds From FY 22 - 23	16,960,163	27,390,961	(10,430,798)	
FY 23 - 24 Award	30,039,920	35,362,526	(5,322,606)	
Award Total - Available Funds	47,000,083	62,753,487	(15,753,404)	
LESS planned Carryover For FY 24 - 25	(7,200,083)	(16,253,487)	9,053,404	
<b>Total Available Funds Budgeted</b>	<b>39,800,000</b>	<b>46,500,000</b>	<b>(6,700,000)</b>	<b>-14.4%</b>

	CY	PY	\$	%	
Budget	Expenditures	Expenditures	Difference	% Difference	
<b>Salaries/Benefits</b>	<b>19,793,000</b>	<b>9,825,314</b>	<b>8,991,425</b>	<b>9.3%</b>	
<b>Career &amp; Youth Services</b>	<b>20,250,000</b>	<b>7,220,029</b>	<b>9,920,620</b>	<b>(2,700,592)</b>	<b>-27.2%</b>
<b>Professional Fees</b>	<b>1,035,000</b>	<b>689,542</b>	<b>689,696</b>	<b>(154)</b>	<b>0.0%</b>
<b>Outreach</b>	<b>800,000</b>	<b>184,952</b>	<b>332,159</b>	<b>(147,207)</b>	<b>-44.3%</b>
<b>Infrastructure/Maintenance &amp; Related Cost</b>	<b>2,725,000</b>	<b>1,194,806</b>	<b>1,292,768</b>	<b>(97,962)</b>	<b>-7.6%</b>
<b>IT Cost/Network Expenses</b>	<b>1,452,000</b>	<b>677,593</b>	<b>697,004</b>	<b>(19,411)</b>	<b>-2.8%</b>
<b>Staff Development &amp; Capacity Building</b>	<b>445,000</b>	<b>281,428</b>	<b>222,171</b>	<b>59,257</b>	<b>26.7%</b>
<b>TOTAL EXPENDITURES</b>	<b>46,500,000</b>	<b>20,073,664</b>	<b>22,145,843</b>	<b>(2,072,179)</b>	<b>-9.4%</b>

	BUDGET	CY ACTUAL	PY ACTUAL
ITA %	35.0%	52.1%	52.7%
ADIMINISTRATIVE COST %	10.0%	9.1%	9.2%





# **BENEFITS BROKER SERVICES UPDATE**



Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information/  
Discussion/  
Action Items

▶ Other Business

Adjournment

# OTHER BUSINESS



Meeting Details

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Welcome

Roll Call

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Action Items

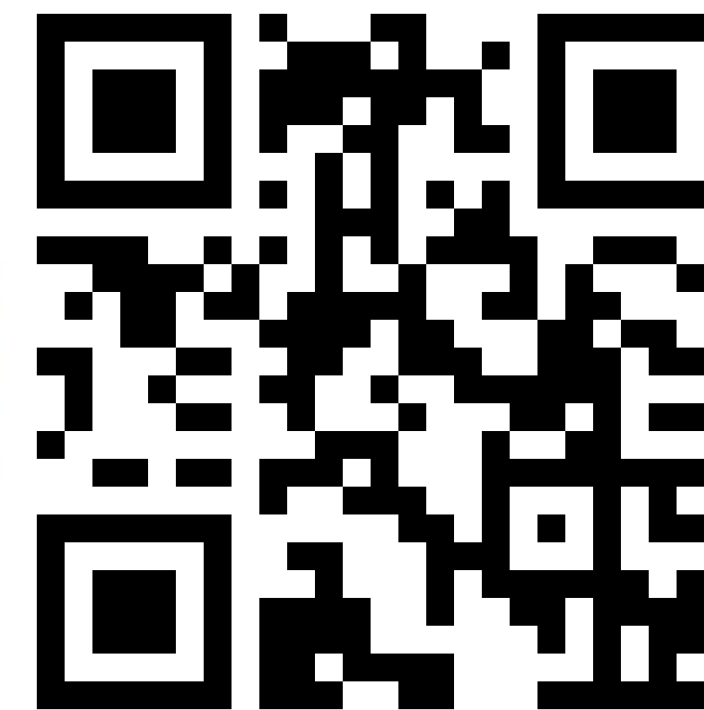
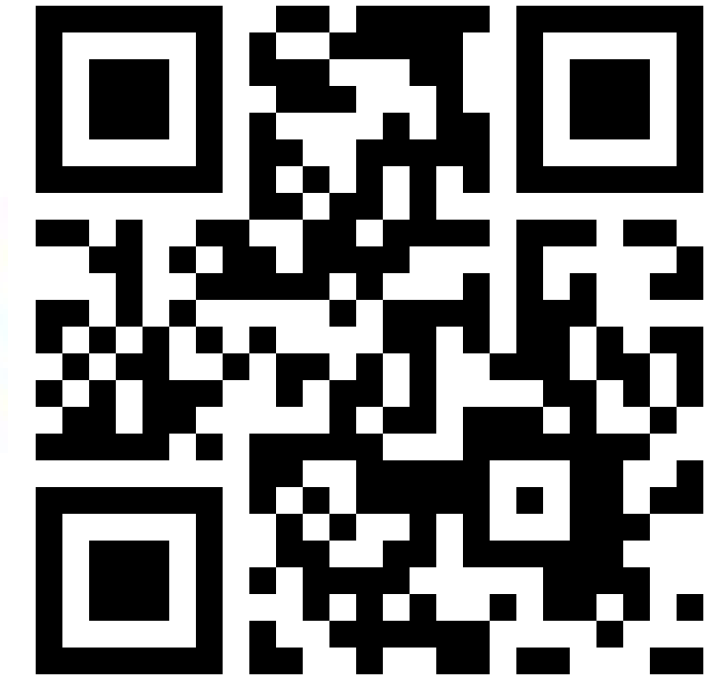
Other Business

▶ **Adjournment**

# ADJOURNMENT



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