

# Finance Committee Meeting

April 12, 2023



# 4/12/23 FINANCE COMMITTEE MEETING DETAILS

Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information / Discussion / Action Items

Other Business

Adjournment

**What:** Finance Committee Meeting

**When:** Wednesday, April 12, 2023  
2:30 p.m. – 4:00 p.m.

**Where:** Virtual via Zoom:

Link: <https://careersourcecf.zoom.us/j/84954812587?pwd=MGp1eGx0SUxqakpoUldXTVpwZUpIZz09>

Dial In: 1 (929) 205-6099 / Meeting ID: 849 5481 2587  
Passcode: 198283



# 4/12/23 FINANCE COMMITTEE MEETING AGENDA

Agenda Item	Topic	Presenter	Action Item
1.	Welcome	Eric Ushkowitz	
2.	Roll Call / Establishment of Quorum	Kaz Kasal	
3.	Public Comment		
4.	Approval of Minutes <b>A. <u>1/18/23 Audit &amp; Finance Committees' Meeting</u></b>	Eric Ushkowitz	X
5.	Information / Discussion / Action Items <b>A. <u>OneDigital: Retirement Plan Update</u></b> <b>B. <u>403(b) Retirement Plan – Audit Results</u></b> <b>C. <u>Financials</u></b> <b>D. <u>Budget Planning</u></b> 1) <b><u>Fiscal Year: 2023-2024 Budget Timeline</u></b> 2) <b><u>New Fiscal Year Budget Projections</u></b> <b>E. <u>Fiscal Year 2023-2024 Health Insurance Plan Renewal Update</u></b> <b>F. <u>Transfer of WIOA Adult/DW Funding</u></b>	Committee Discussion	X
6.	Other Business		
7.	Adjournment		

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Information / Discussion / Action Items

Other Business

Adjournment

# WELCOME



Meeting Details

Meeting Agenda

Welcome

**Roll Call**

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

Welcome

Roll Call

Public Comment

**Approval of Minutes**

Information / Discussion / Action Items

Other Business

Adjournment

# APPROVAL OF MINUTES





**DRAFT**  
**Audit and Finance Committees' Virtual Meeting**

**Wednesday, January 18, 2023**  
**1:30 p.m.**

**MINUTES**

**MEMBERS PRESENT:** Sheri Olson, Matt Walton, Wendy Brandon, Lorie Bailey-Brown, Glen Casel, Keira des Angles, Leslie Felix, Wendy Ford, Kristy Mullane, Bryan Orr, and Gaby Ortigoni

**MEMBERS ABSENT:** Shawn Hindle, Manuel Rascon, Angela Rex, Eric Ushkowitz and Fred Winterkamp

**STAFF PRESENT:** Pam Nabors, Mimi Coenen, Leo Alvarez, Sean Masherella and Kaz Kasal

**GUESTS PRESENT:** Brian Liffick / Cherry Bekaert

Agenda Item	Topic	Action Item / Follow Up Item
1	<b>Welcome</b> Ms. Olson, Audit Committee Chair, called the meeting to order at 1:34 pm.	
2	<b>Roll Call / Establishment of Quorum</b> Ms. Kasal, CSCF Executive Coordinator, reported a quorum present with both the Audit and Finance Committees.	
3	<b>Public Comment</b> None Offered.	
4	<b>Approval of Minutes</b> Audit Committee reviewed the minutes from the 9/7/22 Audit Committee meeting.  Finance Committee reviewed the minutes from the 10/19/22 Finance Committee meeting.	<b>Ms. Ford made a motion to approve the minutes from the 9/7/22 Audit and Finance Committees' meeting. Ms. Bailey Brown seconded; motion passed unanimously.</b>  <b>Mr. Orr made a motion to approve the minutes from the 10/19/22 Finance Committee meeting. Ms. des Angles seconded; motion passed unanimously.</b>
5	<b>Information</b>	
	<u>Acceptance of 2 CFR 200 Audit Report</u> <ul style="list-style-type: none"> <li>Reviewed presentation entitled "CareerSource Central Florida Audit Executive Summary" for Fiscal Year Ending 6/30/2022 (attachment) provided by Mr. Brian Affick with Cherry Bekaert, CSCF's independent auditor.</li> </ul>	<b>Ms. Mullane made a motion to move to CSCF Board for final approval and acceptance of the 2 CFR 200 Audit Report, as presented, for Fiscal Year 2021-2022. Ms. Ford seconded; motion passed unanimously.</b>





	<p>Highlights from audit results presentation:</p> <ul style="list-style-type: none"> <li>○ Unmodified opinion on financial statements</li> <li>○ No findings on compliance</li> <li>○ No significant deficiencies or material weaknesses</li> </ul> <ul style="list-style-type: none"> <li>● Mr. Affick noted that audit is in progress on CSCF's 403(b) plan.</li> </ul> <p><u>DEO Monitoring Results (FY 2021-2022)</u></p> <ul style="list-style-type: none"> <li>● Reviewed memo summarizing FY 2021-2022 DEO monitoring results for both program and fiscal (attachment).           <ul style="list-style-type: none"> <li>○ Programs: 7 findings – all instances of minor errors in either forms, timeliness or coding; and are being addressed with internal improvements.</li> <li>○ Financials: no findings, one observation related to contract language, which has been addressed with correction to include all compliance language on template for contracts.</li> </ul> </li> </ul> <p><u>Mid-Year Financials</u></p> <ul style="list-style-type: none"> <li>● Reviewed financials through 12/31/22, as well as mid-year comparison current year vs. previous year (attachment). Overall, on track for mid-year with 49% of budget expended.</li> </ul> <p><u>Budget Adjustment</u></p> <ul style="list-style-type: none"> <li>● Reviewed budget adjustment of additional funding (attachment).</li> </ul> <p>Finance ERP Budget Update</p> <ul style="list-style-type: none"> <li>● Reviewed update and timeline of activities with CSCF's new financial ERP system. Currently 64% complete and set to go live in April 2023 (attachment).</li> </ul>	<p><b>Ms. des Anges made a motion to approve for Board's final approval Budget Adjustment from \$45M to \$46.5M, as presented. Ms. Brandon seconded; motion passed unanimously.</b></p>
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6	<b>Other Business</b> <ul style="list-style-type: none"> <li>Mr. Alvarez reported that he, CFO and Ms. Burke, VP of Human Resources have been working with OneDigital on a 1-3 year strategic plan on overall benefits, which will be presented at the next Finance Committee Meeting.</li> </ul>	
7	<b>Adjournment</b> Meeting adjourned at 2:30 p.m.	

Respectfully submitted,

Kaz Kasal  
 Executive Coordinator

Meeting Details

Meeting Agenda

Welcome

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Public Comment

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Action Items

Other Business

Adjournment

# INFORMATION / DISCUSSION / ACTION ITEMS





CENTRAL FLORIDA REGIONAL WORKFORCE DEVELOPMENT BOARD, INC.

# RETIREMENT PLAN REVIEW

# ADMINISTRATIVE UPDATE

As of 12/31/2022



Eligible 236  
Participants Deferring 220  
Terminated 46  
Participation Rate 93.2%



Average Deferral Rate (Eligible) 6.1%  
Average Deferral Rate (Active) 6.7%



Total Plan Assets \$8.02M  
YOY Growth -11.93%  
QDIA Assets 6.83M (85.1%)  
Single TDF Holders 235  
Partial TDF Holders 24

Data provided by Principal Financial Group and believed to be true and accurate



# METRICS OF SUCCESS

Participation

90

Deferral

10

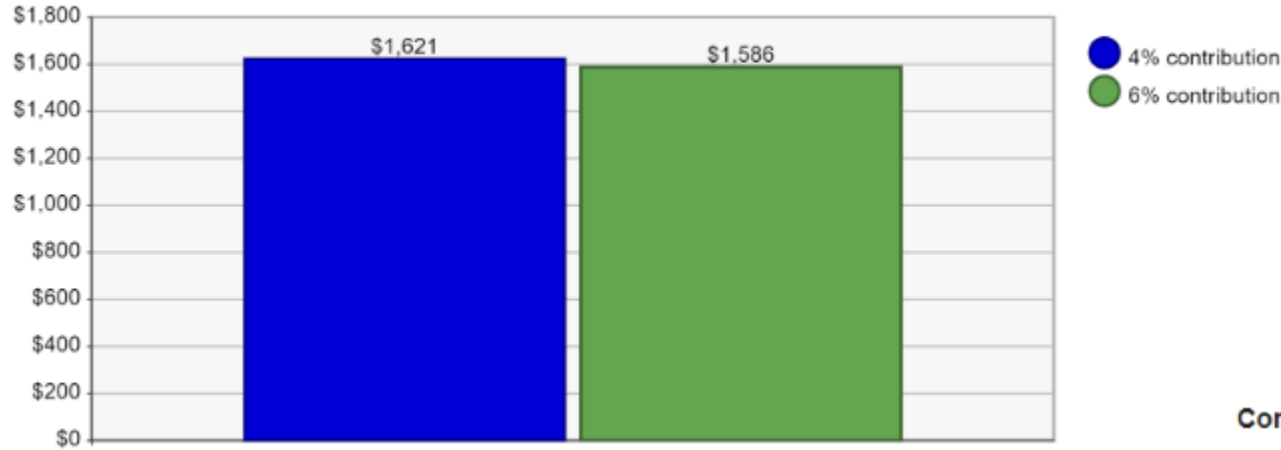
Diversification

90

- Increase initial default automatic enrollment rate to 6%
  - Currently at 4%
- Increase ceiling on automatic increases to 8%
  - Currently capped at 6%
  - Consider changing the date from 1/1 to 7/1 to align with merit increases
- Increase company match
  - Currently 100% to 8%
- Recordkeeper RFI to gauge reasonableness of fees
- QDIA Evaluation – American Century One Choice R6 TDF's
- Fund Changes – 3 funds not passing

# TAKE HOME PAY EXAMPLES

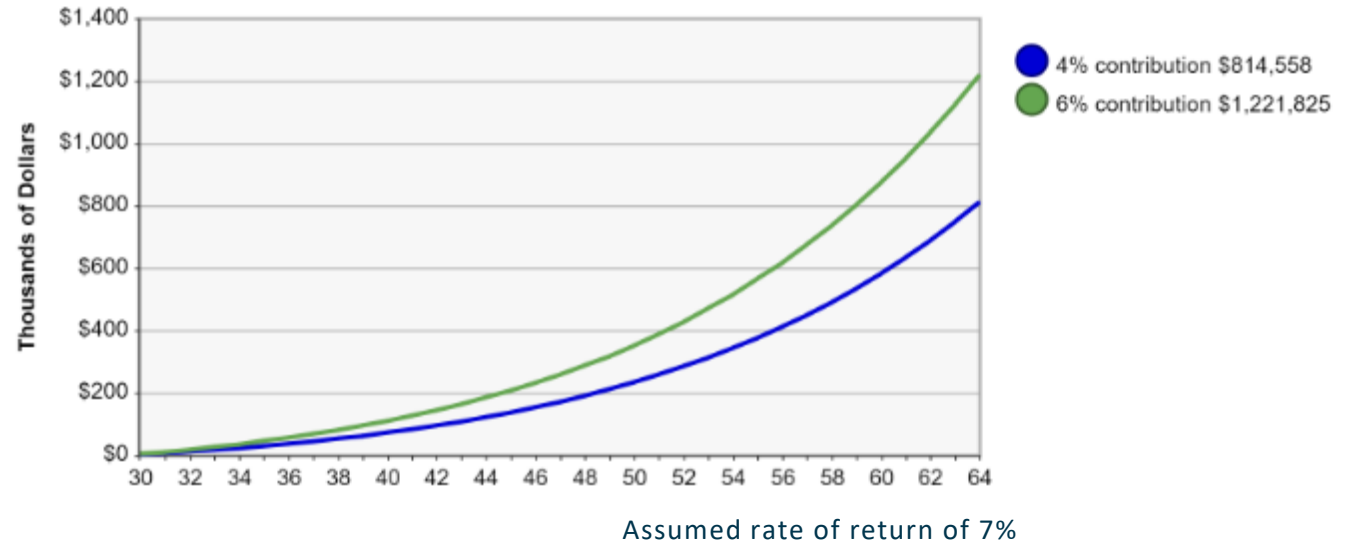
Contributing 6% instead of 4% reduces your paycheck by \$35.



- Age 30, married
- \$50,000 salary
- Current 401k contribution = 4%
- New 401k contribution = 6%

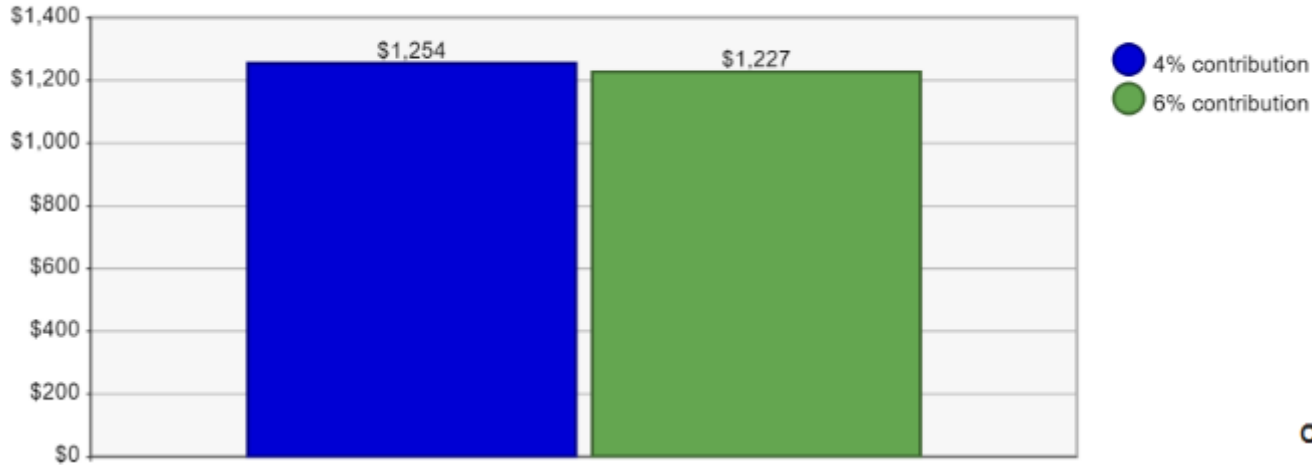
- Reduced take home pay by \$35 per pay period
- \$407,267 more retirement savings = 50% more income in retirement!

Contributing 6% instead of 4% could increase your retirement savings by \$407,267.



# TAKE HOME PAY EXAMPLES

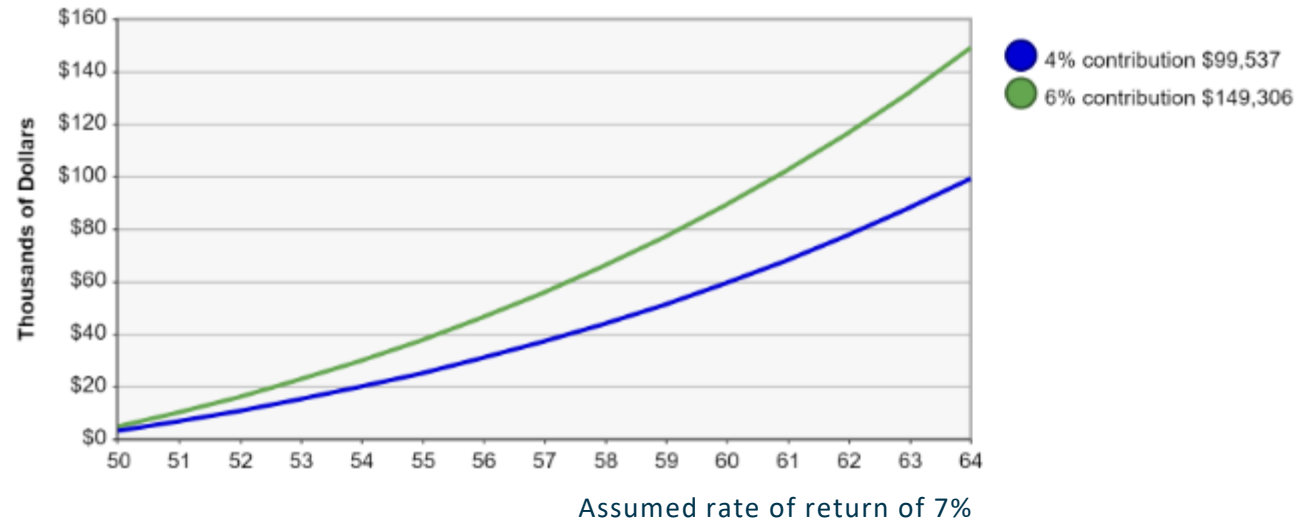
**Contributing 6% instead of 4% reduces your paycheck by \$27.**



- Age 50, single
- \$40,000 salary
- Current 401k contribution = 4%
- New 401k contribution = 6%

- Reduced take home pay by \$27 per pay period
- \$49,769 more retirement savings = 50% more income in retirement!

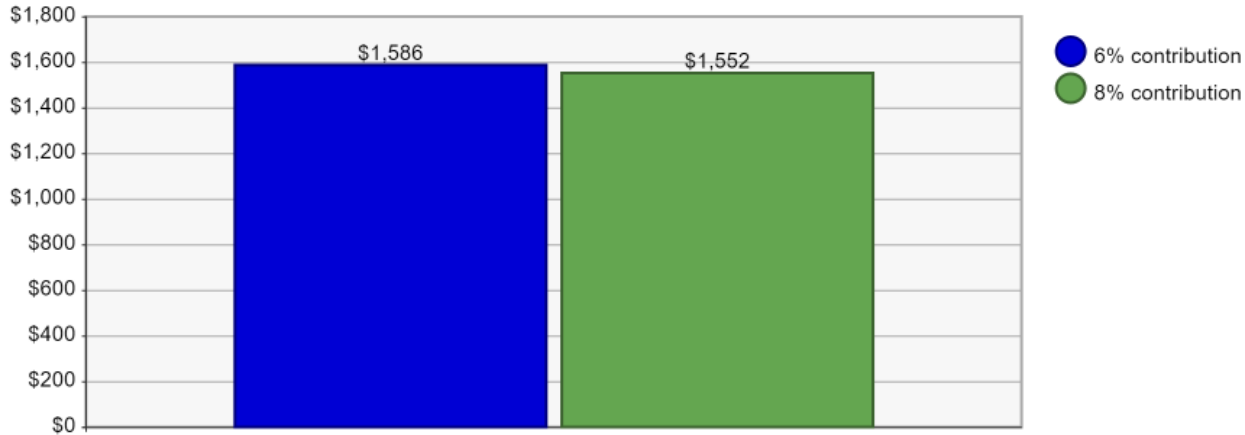
**Contributing 6% instead of 4% could increase your retirement savings by \$49,769.**





# TAKE HOME PAY EXAMPLES

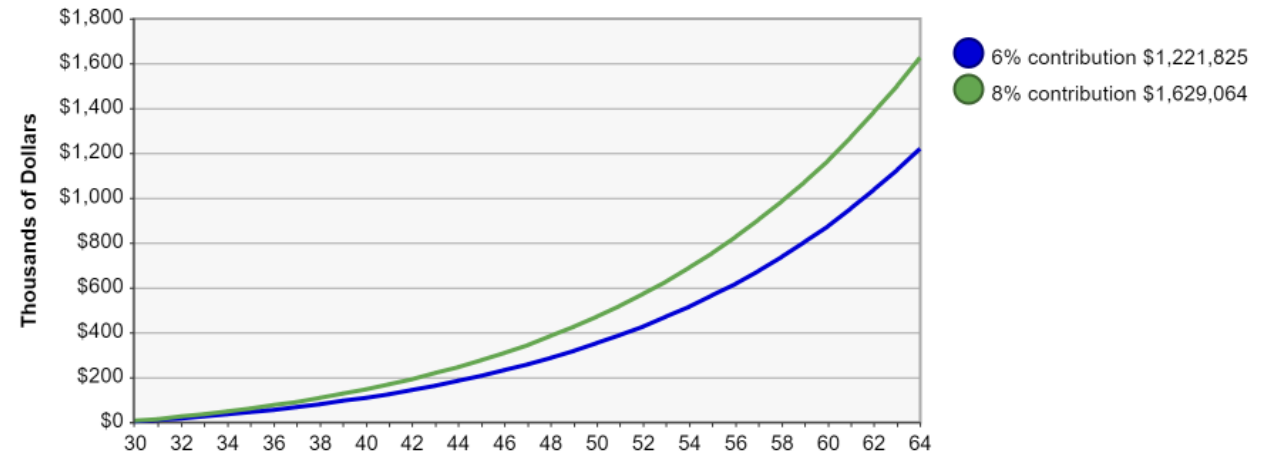
Contributing 8% instead of 6% reduces your paycheck by \$35.



- Age 30, married
- \$50,000 salary
- Current 401k contribution = 6%
- New 401k contribution = 8%

- Reduced take home pay by \$35 per pay period
- \$407,239 more retirement savings = 50% more income in retirement!
- \$1.22M to \$1.63M if we increase to 8% instead of stopping at 6%

Contributing 8% instead of 6% could increase your retirement savings by \$407,239.



Assumed rate of return of 7%

# RECORDKEEPER RFI

## CareerSource Central Florida 403(b) Plan Recordkeeping Comparison

4/12/2023



Plan Assumptions	
Total Plan Assets (est.)	Total Accounts
\$9,000,000	261

	Base Fee	Per Participant Fee	Asset Based Fees (%)	Annual Estimated Cost (%)	Annual Estimated Cost (\$)	*Notes
<b>Empower</b>	\$0	\$0	0.26%	0.26%	\$ 23,400	Includes administrative outsourcing for loan & distribution approvals.
<b>OneAmerica</b>	\$0	\$0	0.26%	0.26%	\$ 23,400	Includes administrative outsourcing for loan & distribution approvals. Custom communications - custom designed landing page with company logos, tailored messaging, sponsor goals, etc.
<b>Goldman Sach/Ascensus</b>	\$5,694	\$45	0.00%	0.21%	\$ 19,139	Base fee includes the first 15 participants. Includes Ayco Digital Financial Wellness service. Includes administrative outsourcing for loan & distribution approvals. No proprietary funds.
<b>Principal</b>	\$0	\$0	0.31%	0.31%	\$ 27,900	

## QMR – 4th QUARTER ANALYSIS

## FUND SCORING EXECUTIVE SUMMARY

<b>Score Range</b>	<b>100 - 60</b>	<b>59 - 40</b>	<b>≤ 39</b>
<b>Score Status</b>	<b>Meets</b>	<b>Monitor</b>	<b>Fails</b>

Allocation															
Fund Name	Ticker	Category	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20	Average Score
American Century One Choice In Ret R6	ARDTX	Target-Date Retirement	83	83	80	65	65	62	62	65	65	65	65	57	68
American Century One Choice 2025 R6	ARWDX	Target-Date 2025	88	88	80	71	66	66	66	60	66	72	72	92	74
American Century One Choice 2030 R6	ARCUX	Target-Date 2030	88	77	76	76	74	74	74	74	74	80	80	92	78
American Century One Choice 2035 R6	ARLDX	Target-Date 2035	73	67	76	74	74	74	74	74	80	92	80	100	78
American Century One Choice 2040 R6	ARDUX	Target-Date 2040	73	67	73	74	74	74	74	86	92	92	100	100	82
American Century One Choice 2045 R6	ARDOX	Target-Date 2045	73	73	76	74	74	74	86	86	92	100	100	100	84
American Century One Choice 2050 R6	ARFEX	Target-Date 2050	100	100	100	74	86	90	90	90	100	100	100	100	94
American Century One Choice 2055 R6	AREUX	Target-Date 2055	100	100	100	86	86	98	90	98	100	100	100	100	97
American Century One Choice 2060 R6	ARGDX	Target-Date 2060	100	100	100	80	86	97	86	97	100	100	94	94	95
American Century One Choice 2065 R6	ARHSX	Target-Date 2065+	71	71	71	59	59	59	67	67	67	67	-	-	66

## QMR – 4th QUARTER ANALYSIS

Equity															
Fund Name	Ticker	Category	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20	Average Score
🔴 Invesco Diversified Dividend R6	LCEFX	Large Value	52	49	52	50	47	50	47	52	68	65	79	82	58
🔵 Putnam Large Cap Value R6	PEQSX	Large Value	97	97	97	97	100	100	100	100	100	100	100	100	99
T. Rowe Price Blue Chip Growth I	TBCIX	Large Growth	46	49	54	66	72	82	88	88	94	92	97	93	77
American Century Mid Cap Value R6	AMDVX	Mid-Cap Value	94	94	94	94	65	65	67	89	89	97	100	100	87
BlackRock Mid-Cap Growth Equity K	BMGKX	Mid-Cap Growth	75	78	83	100	100	100	100	98	100	100	100	100	95
Delaware Small Cap Value R6	DVZRX	Small Value	76	87	82	80	92	59	74	80	80	81	98	100	82
Janus Henderson Triton N	JGMNX	Small Growth	78	75	78	81	76	61	76	73	79	79	83	91	78
MFS Intl Diversification R6	MDIZX	Foreign Large Blend	87	92	90	87	87	87	87	87	92	95	92	95	90
Principal Real Estate Securities Fd R-6	PFRSX	Real Estate	97	100	97	95	98	100	98	95	97	97	97	100	98

Fixed Income															
Fund Name	Ticker	Category	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20	Average Score
🔴 Western Asset Core Plus Bond IS	WAPSX	Intermediate Core-Plus Bond	47	50	47	58	78	78	80	80	80	84	84	81	71
🔵 BlackRock Total Return K	MPHQX	Intermediate Core-Plus Bond	84	89	94	94	96	96	93	97	93	90	90	90	92

Index															
Fund Name	Ticker	Category	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	4Q20	3Q20	2Q20	1Q20	Average Score
Principal Large Cap S&P 500 Index Inst	PLFIX	Large Blend	99	100	100	100	100	100	99	99	100	100	100	100	100
Principal MidCap S&P 400 Index R-6	PMAPX	Mid-Cap Blend	100	100	99	99	100	88	100	100	100	97	99	97	98
Principal SmallCap S&P 600 Index R-6	PSPIX	Small Blend	100	100	100	100	100	98	100	100	99	99	100	99	100

# ADDITIONAL DISCUSSION ITEMS

## Next Finance Committee Meeting – Action Items

- Target Date Fund – Thorough analysis
  - Stay with American Century?
- Fund Change Recommendations
- Recordkeeper Evaluation
  - Stay with Principal?
- Automatic Enrollment Enhancements
  - Increase the initial rate from 4% to 6%
  - Increase the ceiling from 6% to 8%
  - Align annual increase with merit increases (7/1)

RETURN TO AGENDA



To the Board of Directors  
CareerSource Central Florida 403(b) Plan  
Orlando, Florida 32804

We have audited the financial statements of the 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) as of and for the year ended June 30, 2022, and have issued our report thereon dated April 4, 2023. As permitted by ERISA Section 103(a)(3)(C), our audit did not extend to any statements or information related to assets held for investment of the Plan ("investment information") by the Principal Trust Company ("Principal") and Equitable Financial Life Insurance Company ("Equitable"), the custodians, which are banks or similar institutions or insurance carriers that are regulated, supervised, and subject to periodic examination by a state or federal agency, that prepared and certified the statements or information regarding assets so held in accordance with 29 CFR 2520.103-5. Our audit 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 ERISA-required supplemental schedule, 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 ("U.S. GAAP"). 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 U.S. GAAP. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 19, 2022. Professional standards also require that we communicate to you the following information related to our audit.

## **SIGNIFICANT AUDIT MATTERS**

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

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2022. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and the supplemental schedule 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 supplemental schedule and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's assessment for each of the Plan's investment input levels under Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*. ASC 820 requires that the Plan assess and disclose in the financial statements the method of valuation for each Plan investment. We evaluated the key factors and assumptions used to make your assessments for each Plan investment in determining that it is reasonable in relation to the financial statements taken as a whole.

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

**CareerSource Central Florida 403(b)**  
**Page 2**

**Form 5500 Procedures**

We are required to obtain and read a substantially complete draft of Form 5500 prior to dating our auditor's report. The purpose of this procedure is to identify any material inconsistencies between the draft Form 5500 and the Plan's financial statements. We identified no material inconsistencies in performing and completing our audit.

**Difficulties Encountered in Performing the Audit**

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

**Corrected and Uncorrected Misstatements**

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

**Disagreements with Management**

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

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated April 4, 2023.

**Management Consultations with Other Independent Accountants**

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

**Other Audit Findings or Issues**

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

**OTHER MATTERS**

With respect to the ERISA-required supplemental schedules 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 the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, 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 ERISA-required supplemental schedules to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Audit Committee of the Board of Trustees and management of the Plan and is not intended to be, and should not be, used by anyone other than these specified parties.

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE**

*As of June 30, 2022 and 2021 and  
for the Year Ended June 30, 2022*

*And Report of Independent Auditor*

Draft



**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 statement of net assets available for benefits as of June 30, 2022, and the related statement of changes in net assets available for benefits for the fiscal year ended June 30, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the 2022 audit 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 audit 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 institution").

Management has obtained a certification from a qualified institution as of and for the year ended June 30, 2022, stating the certified investment information, as described in Note 4 to the financial statements, is complete and accurate.

### Opinion on the 2022 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the *Auditor's Responsibilities for the Audit of the 2022 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 a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### Basis for Opinion on the 2022 Financial Statements

We conducted our audit 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 2022 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 audit. We believe 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 2022 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. 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 2022 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 audit 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.

### **2022 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, 2022, 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 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 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 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 a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### **Auditor's Report on the 2021 Financial Statements**

The 2021 financial statements of the Plan were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the predecessor auditor not to perform, and they did not perform, any auditing procedures with respect to the information certified by a qualified institution. Their report dated February 10, 2022, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and, accordingly, they did not express an opinion on the financial statements and supplemental schedule, and (b) the form and content of the information included in the financial statements and supplemental schedule, other than that derived from the certified information, were presented in compliance with DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Orlando, Florida  
April 4, 2023

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

*JUNE 30, 2022 AND 2021*

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Investments, at fair value	\$ 7,412,457	\$ 8,680,101
Fully benefit-responsive investment contracts, at contract value	782,738	651,288
Notes receivable from participants	<u>184,615</u>	<u>199,485</u>
Net Assets Available for Benefits	<u>\$ 8,379,810</u>	<u>\$ 9,530,874</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, 2022

Additions to net assets attributed to:

Investment income:

Net depreciation in fair value of investments	\$ (1,677,284)
Net appreciation in contract value of investments	131,970
Interest and dividends	409,912
Other income	41
Net Investment Loss	<u>(1,135,361)</u>

Interest income on notes receivable from participants	<u>8,979</u>
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Contributions:

Participants	771,039
Employer	568,335
Other contributions, including rollovers	214,096
Total Contributions	<u>1,553,470</u>
Total Additions	<u>427,088</u>

Deductions from net assets attributed to:

Benefits paid to participants	1,545,000
Administrative expenses	33,152
Total Deductions	<u>1,578,152</u>

Net decrease in net assets available for benefits	(1,151,064)
Net assets available for benefits, beginning of year	<u>9,530,874</u>
Net assets available for benefits, end of year	<u><u>\$ 8,379,810</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, 2022 AND 2021

### 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 \$20,500 for the Plan year ended June 30, 2022. 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, 2022, 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 \$6,500 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	25%
2	50%
3	100%

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

JUNE 30, 2022 AND 2021

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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”). 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, 2022 AND 2021

### 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 discussion at 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, 2022 AND 2021

### 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, 2022 and 2021, there were \$12,592 and \$9,841, 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:

	2022				Total Fair Value
	Level 1	Level 2	Level 3	Other <sup>(a)</sup>	
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>	<u>7,412,457</u>
Guaranteed investment contracts, at contract value					782,738
Total investments					<u>\$ 8,195,195</u>

	2021				Total Fair Value
	Level 1	Level 2	Level 3	Other <sup>(a)</sup>	
Mutual funds	\$ 8,067,585	\$ -	\$ -	\$ -	\$ 8,067,585
Pooled separate accounts	-	-	-	351,920	351,920
Guaranteed investment contracts	-	-	260,596	-	260,596
Total investments at fair value	<u>\$ 8,067,585</u>	<u>\$ -</u>	<u>\$ 260,596</u>	<u>\$ 351,920</u>	<u>8,680,101</u>
Guaranteed investment contracts, at contract value					651,288
Total investments					<u>\$ 9,331,389</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.

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

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

Asset	Fair Value	2021		
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled separate accounts	\$ 351,920	n/a	Daily	30 days

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

JUNE 30, 2022 AND 2021

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

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, 2022:

Withdrawals	\$ (6,522)
Transfers Out	<u>\$ (130,235)</u>

The following tables summarize investments for which fair value is shown under Level 3 hierarchy as of June 30, 2022:

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

<b>2021</b>				
<u>Asset</u>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Rate (weighted average)</u>
Guaranteed investment contracts	\$ 260,596	Discounted cash flow	Risk - adjusted discount rate applied	1.00% - 3.00%

### Note 4—Information certified by 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, Principal and Equitable, the custodians of the Plan, have certified to the completeness and accuracy of the following data included in the accompanying financial statements and supplemental schedule as of June 30, 2022 and 2021, and for the year ended June 30, 2022.

- 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, 2022 and 2021.
- Net depreciation in fair value of investments, net appreciation 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, 2022.
- Schedule of Assets (Held at End of Year) – Form 5500, Schedule H, Part IV, Line 4i as of June 30, 2022.

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 of assets (held at end of year).

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

JUNE 30, 2022 AND 2021

### 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 (\$782,738 and \$651,288 at June 30, 2022 and 2021, 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 1.55% for the year ended June 30, 2022.

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.

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, 2022 and 2021, was \$130,132 and \$260,596, 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.

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

JUNE 30, 2022 AND 2021

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

Plan investments are held and managed by Principal and Equitable, and qualify as party-in-interest transactions. 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 \$33,152 for the year ended June 30, 2022.

### **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.

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, 2022 and 2021, 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 April 4, 2023 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

**SUPPLEMENTAL SCHEDULE**

Draft

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

JUNE 30, 2022

(a)	(b) Identity of Issuer, 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	\$ 782,738
*	Equitable	AXA Equitable Life Insurance Company Fixed Income Guaranteed Option	130,132
<b>Total Guaranteed Investment Contracts</b>			<b>912,870</b>
<b>Mutual Funds:</b>			
*	Principal	American Century One Choice In Retirement A Fund	622,254
*	Principal	American Century One Choice 2025 A Fund	1,224,474
*	Principal	American Century One Choice 2030 A Fund	1,184,815
*	Principal	American Century One Choice 2035 A Fund	820,813
*	Principal	American Century One Choice 2040 A Fund	842,979
*	Principal	American Century One Choice 2045 A Fund	1,066,999
*	Principal	American Century One Choice 2050 A Fund	381,904
*	Principal	American Century One Choice 2055 A Fund	300,995
*	Principal	American Century One Choice 2060 A Fund	20,487
*	Principal	American Century One Choice 2065 A Fund	2,751
*	Principal	American Century MidCap Value A Fund	19,841
*	Principal	Invesco Divers Dividend A Fund	17,854
*	Principal	JanusHenderson Triton S Fund	21,728
*	Principal	MFS International Diversification R6 Fund	37,173
*	Principal	Principal LargeCap S&P 500 Index R5 Fund	150,116
*	Principal	Principal MidCap S&P 400 Index R5 Fund	53,394
*	Principal	Principal Real Estate Securities R6 Fund	35,402
*	Principal	Principal SmallCap S&P 600 Index R5 Fund	32,698
*	Principal	Western Asset Core Plus Bond A Fund	6,166
*	Principal	T. Rowe Price Blue Chip Growth Fund	108,350
*	Principal	Delaware Small Cap Value Fund	18,706
*	Principal	BlackRock Mid-Cap Growth Equity K Fund	18,558
<b>Total Mutual Funds</b>			<b>6,988,457</b>

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

JUNE 30, 2022

(a)	(b) Identity of Issuer, 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	\$ 17,749
*	Equitable	EQ/International Equity Index	569
*	Equitable	AXA/AB Small Cap Growth	1,519
*	Equitable	Multimanager Aggressive Equity	24
*	Equitable	AXA Moderate Allocation	80,376
*	Equitable	AXA Conserv-Plus Allocation	16,639
*	Equitable	AXA Moderate-Plus Allocation	110,057
*	Equitable	AXA Aggressive Allocation	4,429
*	Equitable	AXA Aggressive Growth Strategy	8,858
*	Equitable	EQ/GAMCO Mergers & Acqu	382
*	Equitable	EQ/Small Cap Value	9,163
*	Equitable	EQ/Mid Cap Index	8,197
*	Equitable	EQ/Morgan Stanley Mid Cap Growth	484
*	Equitable	EQ/American Century Mid Cap Val	310
*	Equitable	AXA EQ Common Stock Index	16,038
*	Equitable	AXA Int Val Managed Vol	497
*	Equitable	AXA Lg Cap Grw Managed Vol	3,133
*	Equitable	AXA Glb Eqty Managed Vol	2,753
*	Equitable	AXA Mid Cap Val Managed Vol	1,381
*	Equitable	EQ/BlackRock Basic Value Eqty	1,875
*	Equitable	AXA Lg Cap Core Managed Vol	338
*	Equitable	AXA Int Core Managed Vol	5,734
*	Equitable	AXA Lg Cap Val Managed Vol	3,363
<b>Total Pooled Separate Accounts</b>			<b>293,868</b>
<b>Notes Receivables from Participants:</b>			
*	Plan participants	Notes receivable from participants (interest rates 4.25% - 6.50%, maturing no later than September 2036), secured by participant accounts.	184,615
<b>Total Assets (Held at Year End)</b>			<b>\$ 8,379,810</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.

RETURN TO AGENDA



**CareerSource Central Florida  
Budget vs. Actual Report (Summary)  
As of 03/31/23**

CSCF Budget FY 2022 - 2023			
Funding Sources	Total Revenue		
Carry In Funds From FY 21 - 22	27,390,961		
FY 22 - 23 Award	35,362,526		
Award Total - Available Funds	62,753,487		
LESS planned Carryover For FY 23 - 24	(16,253,487)		
<b>Total Available Funds Budgeted</b>	<b>46,500,000</b>	<b>Actual</b>	<b>% of</b>
		<b>Expenditures</b>	<b>Expenditures</b>

PROGRAM	Authorized Budget		
Salaries/Benefits	19,793,000	13,364,079	67.5%
Training Investment	20,250,000	15,375,620	75.9%
Professional Services	1,035,000	1,155,194	111.6%
Outreach	800,000	470,287	58.8%
Infrastructure/Maintenance & Related Cost	2,725,000	1,943,300	71.3%
IT Cost/Network Expenses	1,452,000	1,167,931	80.4%
Staff Development & Capacity Building	445,000	387,261	87.0%
<b>EXPENDITURES</b>	<b>46,500,000</b>	<b>33,863,672</b>	<b>72.8%</b>

CareerSource Central Florida  
Budget Versus Actual Report  
As of 03/31/23

CSCF Budget FY 2022 - 2023		INDIRECT COST	RESEA 119	WIOA Adult 20	Youth 22	WIOA DW 30	WT 60	TAA 81	SNAP 85	WP 90	DVOP 94	LVER 98	NEG COVID 49	NEG IAN 29	Project Opioid 30ARF	At Risk Floridians 30RR	RAPID RESPONSE 30RR	Re-Entry Navigator	Apprentice Navigator	WIOA - Expectant Mothers	Level Up Orange 51	Osceola CARES 52	YOUTHBUILD 145	Orange County CCC	UNRESTRICTED	Actual Expenditures	% of Expenditures
Funding Sources	Total Revenue																										
Carry In Funds From FY 21 - 22	27,390,961		233,357	3,000,000	-	1,572,821	2,904,887	45,178	-	644,199	21,579	24,783	4,026,398	-	1,887,248	2,474,232	155,528	280,668	-	-	9,300,000	700,000	120,083	-	350,000		
FY 22 - 23 Award	35,362,526		741,973	4,957,397	5,101,343	5,177,412	7,263,315	98,958	610,000	2,223,675	87,121	118,832	-	1,750,000	-	-	-	-	62,500	500,000	5,000,000	-	-	1,320,000	350,000		
Award Total - Available Funds	62,753,487		975,330	7,957,397	5,101,343	6,750,233	10,168,202	144,136	610,000	2,867,874	108,700	143,615	4,026,398	1,750,000	1,887,248	2,474,232	155,528	280,668	62,500	500,000	14,300,000	700,000	120,083	1,320,000	350,000		
LESS planned Carryover For FY 23 - 24	(16,253,487)		(200,000)	(2,000,000)	(200,000)	(2,032,500)	(2,500,000)	-	-	(120,987)	-	-	-	(750,000)	(900,000)	(500,000)	-	-	-	(400,000)	(6,650,000)	-	-	-	-		
Total Available Funds Budgeted	46,500,000		775,330	5,957,397	4,901,343	4,717,733	7,668,202	144,136	610,000	2,746,887	108,700	143,615	4,026,398	1,000,000	987,248	1,974,232	155,528	280,668	62,500	100,000	7,650,000	700,000	120,083	1,320,000	350,000		
PROGRAM	Authorized Budget																										
Salaries/Benefits	19,793,000	1,856,368	325,525	2,932,399	1,659,376	307,590	1,925,825	4,778	582,188	385,681	93,445	69,325	587,553	27,196	261,382	233,530	130,985	75,442	39,207	8,086	1,458,474	229,914	83,100	-	86,712	13,364,079	67.5%
Training Investment	20,250,000	16,159	400	3,421,579	1,503,488	204,011	2,577,116	13,080	1,056	3,655	872	703	2,573,490	1,232,806	339,788	386,917	307	147	3	0	2,686,194	360,167	52,114	-	1,569	15,375,620	75.9%
Professional Services	1,035,000	234,577	9,371	82,764	46,268	8,319	515,380	607	16,703	48,342	11,769	8,676	17,466	570	6,581	6,317	3,046	2,608	821	163	95,750	6,198	2,365	-	30,534	1,155,194	111.6%
Outreach	800,000	17,575	3,484	47,533	18,372	2,822	118,109	183	6,069	15,765	6,359	4,793	12,908	650	3,360	3,839	1,259	841	816	38	140,330	25,538	789	-	38,854	470,287	58.8%
Infrastructure/Maintenance & Related Cost	2,725,000	131,097	13,850	139,881	74,482	12,573	84,749	776	23,861	1,280,263	16,567	13,364	29,764	1,042	9,712	8,925	4,772	3,997	1,367	186	37,921	8,602	5,281	-	40,266	1,943,300	71.3%
IT Cost/Network Expenses	1,452,000	155,240	26,053	221,755	126,587	23,197	162,681	1,551	44,211	164,474	27,888	20,271	45,977	1,572	18,930	17,027	9,755	7,014	2,452	328	64,576	16,136	6,131	-	4,128	1,167,931	80.4%
Staff Development & Capacity Building	445,000	72,897	7,455	62,622	35,730	5,278	55,403	420	13,939	32,477	9,173	7,734	12,688	514	7,663	5,253	2,218	1,933	670	159	21,445	5,034	1,679	-	24,876	387,261	87.0%
Indirect Cost (10%)		(2,983,656)	38,550	698,105	347,952	56,541	544,786	2,135	68,688	81,368	16,528	12,430	328,717	126,429	69,225	34,835	15,214	9,179	4,526	895	424,402	65,134	15,130	-	22,886		
EXPENDITURES	46,500,000	(499,744)	424,688	7,606,637	3,812,254	620,331	5,984,049	23,530	756,716	2,012,025	182,601	137,296	3,608,564	1,390,778	716,640	696,643	167,556	101,162	49,861	9,855	4,929,092	716,722	166,588	-	249,825	33,863,672	72.8%
FUNDING DECISIONS	-	-	-	(4,866,518)	112,593	4,740,617	-	-	-	-	(24,878)	-	-	-	-	-	-	-	-	-	-	-	-	(13,204)	51,390	0	
TOTAL BUDGET/EXPENDITURES	33,863,672	(499,744)	424,688	2,740,119	3,924,848	5,360,949	5,984,049	23,530	756,716	2,012,025	157,723	137,296	3,608,564	1,390,778	716,640	696,643	167,556	101,162	49,861	9,855	4,929,092	716,722	153,385	-	301,215	33,863,672	72.8%
TOTAL AVAILABLE FUNDS	12,636,328	499,744	350,642	3,217,278	976,495	(643,216)	1,684,153	120,606	(146,716)	734,862	(49,023)	6,319	417,834	(390,778)	270,608	1,277,589	(12,028)	179,506	12,639	90,145	2,720,908	(16,722)	(33,302)	1,320,000	48,785		
% OF FUNDS EXPENDED BY GRANT	72.8%		54.8%	46.0%	80.1%	113.6%	78.0%	16.3%	124.1%	73.2%	145.1%	95.6%	89.6%	139.1%	72.6%	35.3%	107.7%	36.0%	79.8%	9.9%	64.4%	102.4%	127.7%	0.0%	86.1%		
% OF FUNDS EXPENDED (INCLUDING OBLIGATIONS)	77.9%																										
TRAINING OBLIGATIONS	\$	% of Budget																									
Training Investment as of 03/31/23	15,375,620	A	75.9%	A - The state mandates that 30% of total WIOA adult and dislocated worker funds are spent in client intensive training activities.																							
Obligations (Training not yet billed by vendors)	2,350,913		11.6%																								
Total Training & Expenditures	17,726,533		87.5%	B - The state mandates that total administrative cost are not to exceed 10% of total cost.																							
ACTUAL	TARGET																										
ITA % (Adult DW)	52.7%		30.0%																								
ITA% (Youth)	14.0%		20.0%																								
ADMINISTRATIVE COST %	9.2%		10.0%																								

**CareerSource Central Florida  
Current Year Budget and 2 yr Expenditure Comparison  
As of 03/31/23**

	CY	PY	\$	%
Funding Sources	<b>Revenue</b>	<b>Revenue</b>	<b>Difference</b>	<b>Difference</b>
Carry In Funds From FY 20 - 21	27,390,961	11,453,123	15,937,838	
FY 21 - 21 Award	35,362,526	51,791,304	(16,428,778)	
Award Total - Available Funds	62,753,487	63,244,427	(490,940)	
LESS planned Carryover For FY 22 - 23	(16,253,487)	(26,744,427)	10,490,940	
<b>Total Available Funds Budgeted</b>	<b>46,500,000</b>	<b>36,500,000</b>	<b>10,000,000</b>	<b>27.4%</b>

	Budget	CY Expenditures	PY Expenditures	\$ Difference	% Difference
<b>Salaries/Benefits</b>	19,793,000	13,364,079	11,296,595	2,067,484	18.3%
<b>Career &amp; Youth Services</b>	20,250,000	15,375,620	9,405,918	5,969,702	63.5%
<b>Professional Fees</b>	1,035,000	1,155,194	554,916	600,278	108.2%
<b>Outreach</b>	800,000	470,287	244,463	225,824	92.4%
<b>Infrastructure/Maintenance &amp; Related Cost</b>	2,725,000	1,943,300	1,795,846	147,454	8.2%
<b>IT Cost/Network Expenses</b>	1,452,000	1,167,931	893,505	274,426	30.7%
<b>Staff Development &amp; Capacity Building</b>	445,000	387,261	263,786	123,475	46.8%
<b>TOTAL EXPENDITURES</b>	<b>46,500,000</b>	<b>33,863,672</b>	<b>24,455,029</b>	<b>9,408,643</b>	<b>38.5%</b>

	BUDGET	CY ACTUAL	PY ACTUAL
ITA %	30.0%	52.7%	40.0%
ADIMINISTRATIVE COST %	10.0%	9.2%	9.0%



## MEMORANDUM

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To: Finance Committee  
From: Leo Alvarez  
Subject: CareerSource Central Florida – Fiscal Year 2023-2024 Budget Timeline  
Date: April 12, 2023

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### **Purpose:**

The purpose of this Memo is to provide a timeline for approval of CareerSource Central Florida's fiscal year 2023-2024 budget.

### **Background:**

In order to support timely implementation of the annual program year budget, CareerSource Central Florida's leadership is working hand in hand with the Finance and Career Services Committees to develop a detailed provisional budget. This provisional budget will then be presented to the Consortium and Board of Directors on June 22, 2023 for approval.

In order to meet the implementation deadlines, the following budget timeline has been established:

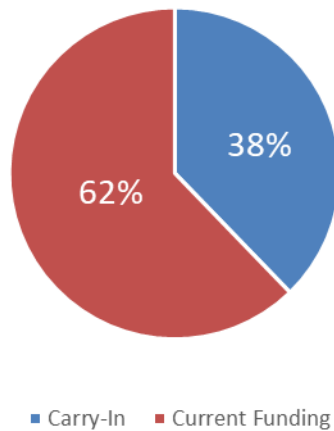
- **May 18, 2023:** Budget Workshop to establish budget priorities
- **June 7, 2023:** Finance Committee meeting to finalize budget
- **June 8, 2023:** Draft budget to Board of Directors and Consortium for review
- **June 22, 2023:** Budget presented to Board of Directors and Consortium for approval

# REVENUE BUDGET COMPARISON

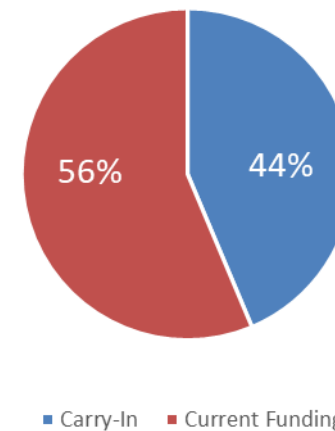
## FY 2023-24 PROJECTIONS VS. PRIOR YEAR

		<u>FY 2023-24</u>	<u>FY 2022-23</u>	<u>DIFFERENCE</u>	<u>%</u>
Reserves From Prior Year		\$ 18,500,000	\$ 27,390,961	\$ (8,890,961)	
Current Year Funding Allocation DEO		\$ 27,000,000	\$ 28,692,526	\$ (1,692,526)	
Current Year Funding Non-DEO		\$ 3,500,000	\$ 6,670,000	\$ (3,170,000)	
Total Available Funds		\$ 49,000,000	\$ 62,753,487	\$ (13,753,487)	
Less Planned Carryover for FY23-34		\$ (9,000,000)	\$ (16,253,487)	\$ 7,253,487	
<b>Total Available Budgeted Funds</b>		<b>\$ 40,000,000</b>	<b>\$ 46,500,000</b>	<b>\$ (6,500,000)</b>	<b>-16.3%</b>

Projected Current Year Revenue



Prior Year Revenue





## Informational Item

**To: Finance Committee**  
**From: Leo Alvarez**  
**Subject: CareerSource Central Florida – Employee Benefits**  
**Date: April 12, 2023**

### Purpose:

To provide an update to the Finance Committee regarding the Fiscal Year 2023-2024 employee health benefits renewal.

### Background:

CareerSource Central Florida staff met with the health benefits broker, OneDigital to discuss medical benefit renewal options. CareerSource Central Florida changed providers two years ago, moving the plan from CIGNA to FL Blue. The goal of the renewal process is to find the best plan option available for staff, negotiate a favorable rate and limit the disruption to the plans. Below is a summary of the renewal process:

### Medical:

- The loss ratio for the Florida Blue plans (claims vs premiums) ran at 102% over the last 12-month period (11/1/2021 – 10/31/22), which is the latest dates of available data from Florida Blue. Over the most recent six months, the loss ratio was higher at 106%.
- There were several large claimants that factored into the renewal increase and several are predicted to be ongoing, including several cancer claims and an end state renal disease claimant.
- Florida Blue's initial renewal called for a 21% increase, which OneDigital was able to negotiate to a 8.9% increase.
- Cigna was the only carrier to offer a competitive quote. By offering a triple plan option using Cigna's broadest network, the increase would be 5.4%. The advantage of a move to Cigna would be:
  - Cigna is offering a \$100,000 credit on the first month's invoice
  - Cigna is offering a \$10,000 plan year wellness budget
  - In addition, they will offer an additional 1% off the medical rates if the dental moves to Cigna. CSCF has had Cigna dental in the past with no notable issues. This has been already factored into the 5.4% increase mentioned above
  - Cigna is offering a renewal rate guarantee for 2024, with rate caps based on the loss ratio
  - The Cigna network has a 97% match to Florida Blue's network, and a move to Cigna would alleviate some of the employee dissatisfaction with the HMO Florida Blue plans, as Cigna would offer their largest network with two in-network only options to save on costs. This would be less restrictive than the current HMO platform
  - Two plan changes would be made to create an in-network only mid option plan. The deductible would increase from \$1,500 to \$2,000, and the out-of-pocket maximum would increase from \$3,000/\$6,000 to \$4,000/\$8,000.
  - The two existing HDHP with HSA plans would be consolidated with in-network coverage but featuring Cigna's national network – an enhancement for those in the HMO HSA plan today.
- The advantages of staying with Florida Blue would be no disruption to employees while preserving a long-term relationship with the carrier.

#### Dental, Vision, Life and Disability:

- MetLife's renewal for both dental and vision is a rate pass
- If CFCS moves to Cigna for medical, the dental and vision would likely follow for the additional savings on the medical increase
- The Cigna dental would result in a 4.6% decrease to the current MetLife rates for the same plan designs, and Cigna would include their progressive maximum program which allows employees to roll over some of their annual maximum for future use
- The Cigna vision plan would use the Eyemed network, and would be a 3% increase to the current rates with a two-year rate guarantee
- Life and Disability insurance plans are currently with The Hartford. All lines were given a rate pass, with LTD receiving a small increase of 7.6% (\$2,340 per year.) The loss ratio for the LTD was 134% and The Hartford has indicated they have several open claims.

#### Next Steps:

- Finalize negotiations and contributions models for the medical plan
- Take a recommendation to the Executive Committee for approval



## Action

To: Finance Committee  
 From: Leo Alvarez, CFO  
 Subject: DEO Approval for WIOA Transfer of Funds (Policy 118)  
 Date: April 12, 2023

**Purpose:** The purpose of this memo is to request approval from the Finance Committee to add transfer of funds flexibility between WIOA Adult and Dislocated Worker funding.

**Background:** Due to CSFL Policy # 118 released in September of 2021 regarding Workforce Investment Opportunity Act (WIOA) Adult and Dislocated Worker Funds Transfer Authority, a Prior Approval Transfer Request Form must be approved by the full board to transfer funds between the Adult and Dislocated Worker WIOA funding streams. In the past board staff had 100% authority to transfer between these funds, but the new policy requires the board of directors approve the transfer. The signed form along with corresponding board minutes must be provided to Department of Economic Opportunity (DEO) for final approval. CSCF is requesting for authority to request up to 90% of Program Year 2021 & 2022 Dislocated Worker program funding stream be transferred to the Adult funding stream. Since Program Year 2020 & 2021 CSCF has received \$17M in WIOA National Emergency Grant (NEG) Funding to serve Dislocated Workers in Central Florida. Over \$7M has already been spent in CARES Funding and currently administering \$15.3M in ARPA funding to support. The request below allows CSCF greater flexibility to train the Adult population that does not meet the dislocated worker requirements.

Department of Economic Opportunity (DEO)



Prior Approval Transfer Request Form - WIOA Adult and Dislocated Worker (DW) Programs  
 From 7/1/2022 through 6/30/2024

LWDB Number and Name (Requestor): CareerSource Central Florida (RWB12)						
Name / Title of Requestor Representative: Leo Alvarez/ CFO						
Adult and Dislocated Worker Transfer Request						
Program Year	Program	Total Award Amount	Amount of Adult Requested to be Spent on DW	Percentage of Adult Requested to be Spent on DW	Amount of DW Requested to be Spent on Adult	Percentage of DW Requested to be Spent on Adult
2021	Dislocated Worker	\$ 5,749,875	\$ -	\$ -	\$ 5,174,888	90%
2022	Dislocated Worker	\$ 5,177,412	\$ -	\$ -	\$ 4,659,671	90%

**Action:** CSCF staff seeks approval from the Finance Committee to approve the transfer request as presented above.



Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of  
Minutes

Information /  
Discussion /  
Action Items

Other Business

Adjournment

# OTHER BUSINESS



Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of  
Minutes

Information /  
Discussion /  
Action Items

Other Business

▶ Adjournment

# ADJOURNMENT



# THANK YOU!



RETURN TO AGENDA