Finance Committee Meeting

CareerSource Central Florida
390 N. Orange Ave., Suite 700, Orlando, FL 32801
Wednesday, June 6, 2018
10:30 a.m. – 12:00 p.m.

Conference Call-in phone number: (866) 576-7975 / Participant Access Code: 299848

Strategic Goals developed by the Board:

- *CareerSource Central Florida will become business focused in all efforts*
- *CareerSource Central Florida will identify ways to measure progress and Return On Investment (ROI)*
- *CareerSource Central Florida will become the workforce intelligence organization for workforce development in Central Florida*

Agenda Item	TOPIC	Action Item	Info Item	Presenter
1	Welcome			Eric Ushkowitz
2	Roll Call / Establishment of Quorum			Kaz Kasal
3	Public Comment			
4	Approval of Minutes A. 4/5/18 Finance Committee Meeting	 X		Eric Ushkowitz
5	**Information/Discussion/Action Items**			Leo Alvarez
	A. Budget to Actual Results as of 4/30/18		X	
	B. Two Year Comparison and Fiscal Year Projections		X	
	C. Approval of Fiscal Year 18-19 Draft Budget	X		
	D. Results of Fiscal Year 16-17 403(b) Audit		X	
	E. Facilities Update:	X		
	F. Finance Committee Meetings: Proposed Dates for FY 18-19		X	
6	Other Business			
7	Adjournment			

Upcoming Meetings:

- Board Meeting : 2:00 pm to 3:30 pm, Thursday, 6/21/18 / Location:
  CareerSource Central Florida – Southeast Orange County Office, 5784 S. Semoran Blvd., Orlando, FL 32822

DRAFT
Finance Committee Meeting

CareerSource Central Florida Office
390 N Orange Ave., Suite 700
Orlando, FL 32801

Thursday, April 5, 2018
2:30 p.m.

MINUTES

MEMBERS PRESENT: Eric Ushkowitz, Glen Casel and Mark Wylie

MEMBERS ABSENT: Nicole Guillet, John Pittman and Chuck Todd

STAFF PRESENT: Pam Nabors, Mimi Coenen, Leo Alvarez, Ann Beecham, and Kaz Kasal

GUESTS PRESENT: Matt Walton / MiGre Engineers LLC

Agenda Item	Topic	**Action Item** / *Follow Up Item*
	Business Matters of the Audit Committee	
1	**Welcome** Mr. Ushkowitz, Finance Committee Chair, called the meeting to order at 2:33 pm and welcomed those in attendance.	
2	**Roll Call / Establishment of Quorum** Ms. Kasal, CSCF Executive Coordinator, reported that there was a quorum present.	
3	**Public Comment** None Offered.	
4	**Approval of Minutes** The Committee reviewed the draft minutes from the 2/15/18 Finance Committee Meeting.	**Mr. Wylie made a motion to approve the minutes from the 2/15/18 Finance Committee Meeting. Mr. Casel seconded; motion passed unanimously.**
5	**Information/Discussion/Action Items**	
	Budget vs. Actual Results as of 2/28/18 Mr. Alvarez, Chief Financial Officer, referenced the report entitled “Budget vs. Actual Report – as of 2/28/18” and “Current Year vs. Prior Year Comparison Report as of 3/31/18” (attachments) and stated that 51.5% of budget was spent through 2/28/18 which is tracking 7% below in expenditures, but an improvement and closer to targeted expenditure goals since the Committee’s last meeting. Mr. Alvarez noted ITA target goal of 50% is expected to be met by 3/31/18 and 9% in Admin expenditures will reduce down to 8% target once budget is back on track. Ms. Coenen, Chief Operating Officer, referenced to the “PY 17-18 Operations Report through 2/28/18”	

	(attachment) and reviewed the performance data. Mr. Casel suggested for staff to provide a quarterly report that ties the operations report to the financials and if meeting targets, under or over. Ms. Nabors, President/Chief Executive Officer, affirmed and stated this could be implemented with the new fiscal year budget. Mr. Alvarez referred to the “Training Analysis/Projections as of 3/31/18” (attachment) and reviewed data on enrollments, expenditures and obligations for ITAs, Internships and OJTs activities, projections, and annual goals. Mr. Alvarez stated that there is an increase in activities especially with ITAs and internships and should meet budget targets by 6/30/18. <u>FY 18-19 Budget Timeline & Preliminary Projections</u> Mr. Alvarez referenced the FY 18—19 Budget Timeline memo (attachment) and reviewed the timeline for the approval of CSCF’s FY 18-19 Budget. Mr. Alvarez also referred to the document entitled “FY 2018-2019 Budget Assumptions” (attachment) and reviewed preliminary projections with the following budget assumptions: • Estimated increase of 2.2% in funding (includes carry forward balance of additional awarded grants and hurricane funds). • Annual health benefit renewal not to exceed more than 7% of current costs. • Training requirement of at least 50% WIOA Adult & DW funds allocated to career services. • Total admin budget not to exceed 8% of state allowable cap of 10%. • Proposed budget for salaries will reflect a 3% merit increase based upon achievement of performance goals. <u>FY 18-19 Health Insurance Projections</u> Ms. Beecham, Chief Talent Officer, referred to the “18-19 Renewal and Marketing” presentation compiled by OneDigital, CSCF’s healthcare broker. Ms. Beecham reviewed the premium vs. claim report (July 2016 thru December 2017) which showed the plan’s usage costs trended higher in FY 17-18. A market comparison was conducted to compare with Cigna’s negotiated renewal increase of 6.96%, and one of the carriers came in at 4.9%. The Committee further discussed the data, plan options and whether	**Mr. Casel made a motion to approve renewing current plan with Cigna for FY 2018-2019 and to forward to Board for final approval at the 4/12/18 Board Meeting. Mr. Wylie seconded, motion passed unanimously.**

	the 2% difference was worth the administrative burden to change plans. The Committee concurred to renew with CSCF's current insurance carrier Cigna for FY 18-19 and place on the consent agenda portion of the 4/12/18 Board Meeting Agenda. Lease and Cost Discussion – Lake Sumter State College (LSSC)/ Foundation Building Mr. Alvarez stated the architect has drawn out a plan projecting $250,000 to $300,000 in buildout costs at LSCC's Foundation Building. The next step is to review the buildout costs with LSSC and also discuss a full service lease option where landlord (LSSC) pays for the buildout costs. Mr. Alvarez stated he has also reached out to Mr. John Doran, a real estate broker who CSCF has used before, to attain real estate market data and advice. Mr. Alvarez added that current Lake County office lease expires 7/30/18; however, after this date the landlord has agreed to a month by month lease with CSCF. The Committee also had a preliminary discussion on current issues and space options for CSCF's Osceola County office, which lease is set to expire in December 2019.	
6	**Other Business** None offered.	
7	**Adjournment** There being no other business, the meeting was adjourned at 3:44 p.m.	

Respectfully submitted,

Kaz Kasal
Executive Coordinator

CareerSource Central Florida
Budget Versus Actual Report
As of 04/30/18

CSCF Budget FY 2017 - 2018	Total Revenue	INDIRECT COST	RESEA 119	WIOA Adult 20	Youth 22	WIOA DW 30	WT 60	TAA 81	SNAP 85	WP 90	DVOP 94	UC 96	LVER 98	NEG	Inc $'s (WIA/WP)	TACCCT 129	TRANCOM 130	YOUTHBUILD 133	AMERICAS PROMISE 132	UNRESTRICTED	NEG HURRICANE IRMA	NEG HURRICANE MARIA	MISC NEW GRANTS	Actual Expenditures	% of Expenditures
Funding Sources																									
Carry In Funds From FY 16 - 17	5,657,409		-	2,027,565	3,346,853	-	-	-	-	282,991	-		-	-	-	-	-	-	-	-	-				
FY 17 - 18 Award	33,425,447		475,351	4,534,780	4,230,190	5,769,572	6,682,917	200,000	900,000	2,244,318	188,976	138,936	118,414	150,000	217,874	55,000	60,000	152,127	197,153	60,000	2,155,000	3,902,879	991,960		
Award Total - Available Funds	39,082,856		475,351	6,562,345	7,577,043	5,769,572	6,682,917	200,000	900,000	2,527,309	188,976	138,936	118,414	150,000	217,874	55,000	60,000	152,127	197,153	60,000	2,155,000	3,902,879	991,960		
LESS planned Carryover For FY 18 - 19	(8,198,541)		-	(1,324,725)	(846,038)	(1,153,914)	-	-	(225,000)	(448,864)	-	-	-	-	-	-	-	-	-	-	-	(3,600,000)	(600,000)		
Total Available Funds Budgeted	30,884,316		**475,351**	**5,237,620**	**6,731,005**	**4,615,658**	**6,682,917**	**200,000**	**675,000**	**2,078,445**	**188,976**	**138,936**	**118,414**	**150,000**	**217,874**	**55,000**	**60,000**	**152,127**	**197,153**	**60,000**	**2,155,000**	**302,879**	**391,960**		
PROGRAM	**Authorized Budget**																								
Salaries/Benefits	**13,373,016**	**1,232,755**	**311,593**	**2,744,494**	**1,573,909**	**283,007**	**1,969,892**	**7,414**	**464,233**	**305,627**	**155,673**	**99,027**	**64,948**	**30,480**	**-**	**73,992**	**78,704**	**71,363**	**71,066**	**6,273**	**99,420**	**-**	**108,139**	**9,752,007**	**72.9%**
Program Services	**12,356,800**	**-**	**-**	**2,785,613**	**1,508,218**	**539,949**	**676,120**	**196,830**	**-**	**-**	**-**	**-**	**-**	**83,897**	**-**	**-**	**-**	**1,425**	**-**	**-**	**1,417,465**	**4,099**	**175,778**	**7,565,172**	**61.2%**
Professional Services	**870,000**	**176,942**	**10,877**	**171,724**	**78,605**	**11,275**	**138,449**	**1,094**	**18,121**	**46,102**	**12,078**	**4,265**	**8,786**	**892**	**-**	**2,812**	**2,856**	**2,096**	**1,720**	**254**	**2,141**	**667**	**4,226**	**700,206**	**80.5%**
Outreach	**232,500**	**15,921**	**908**	**28,329**	**14,486**	**1,630**	**14,147**	**339**	**3,276**	**9,165**	**2,681**	**1,597**	**2,286**	**178**	**12,158**	**549**	**559**	**5,527**	**1,419**	**6,000**	**237**	**1,339**	**87**	**122,903**	**52.9%**
Infastructure/Maintenance & Related Cost	**2,622,000**	**147,816**	**17,027**	**178,041**	**106,361**	**15,260**	**125,483**	**2,510**	**32,701**	**1,248,588**	**28,847**	**8,443**	**19,264**	**1,654**	**-**	**4,307**	**4,426**	**3,570**	**3,269**	**2,671**	**4,515**	**1,670**	**4,362**	**1,965,145**	**74.9%**
IT Cost/Network Expenses	**1,125,000**	**67,618**	**11,709**	**141,665**	**81,077**	**14,061**	**111,660**	**2,178**	**27,523**	**113,766**	**26,013**	**6,859**	**13,267**	**1,218**	**44,674**	**3,439**	**3,987**	**2,753**	**2,563**	**-**	**2,576**	**328**	**2,943**	**684,820**	**60.9%**
Staff Development & Capacity Building	**305,000**	**36,834**	**1,295**	**31,386**	**16,883**	**1,228**	**18,571**	**112**	**2,091**	**6,698**	**2,204**	**382**	**1,847**	**180**	**-**	**297**	**385**	**356**	**246**	**29,548**	**463**	**1,230**	**527**	**153,288**	**50.3%**
Indirect Cost (10.36%)		**(1,833,933)**	**35,928**	**634,342**	**336,484**	**87,647**	**323,194**	**21,468**	**55,847**	**60,592**	**20,445**	**8,388**	**11,119**	**12,059**	**1,260**	**8,719**	**9,284**	**8,894**	**8,226**	**4,042**	**156,409**	**941**	**28,646**	**28,646**	
EXPENDITURES	**30,884,316**	**(156,048)**	**389,337**	**6,715,594**	**3,716,023**	**954,056**	**3,377,514**	**231,945**	**603,792**	**1,790,537**	**247,940**	**128,961**	**121,517**	**130,557**	**58,092**	**94,116**	**100,200**	**95,983**	**88,508**	**48,788**	**1,683,225**	**10,274**	**324,708**	**20,943,542**	**67.8%**
FUNDING DECISIONS	-	-	-	(2,810,535)	95,929	3,000,000	-	-	-	32,441	(59,167)	(37,697)	(1,946)	-	159,782	(94,116)	(100,200)	(95,983)	(88,508)	-				0	
TOTAL BUDGET/EXPENDITURES	**20,943,542**	**(156,048)**	**389,337**	**3,905,059**	**3,811,952**	**3,954,056**	**3,377,514**	**231,945**	**603,792**	**1,822,978**	**188,773**	**91,264**	**119,571**	**130,557**	**217,874**	**(0)**	**(0)**	**(0)**	**0**	**48,788**	**1,683,225**	**10,274**	**324,708**	**20,943,542**	**67.8%**
TOTAL AVAILABLE FUNDS	**9,940,774**	**156,048**	**86,014**	**1,332,561**	**2,919,053**	**661,602**	**3,305,403**	**(31,945)**	**71,208**	**255,467**	**203**	**47,672**	**(1,157)**	**19,443**	**-**	**55,000**	**59,999**	**152,126**	**197,152**	**11,211**	**471,774**	**292,604**	**67,251**		
% OF FUNDS EXPENDED BY GRANT	**67.8%**		**81.9%**	**74.6%**	**56.6%**	**85.7%**	**50.5%**	**116.0%**	**89.5%**	**87.7%**	**99.9%**	**65.7%**	**101.0%**	**87.0%**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**81.3%**	**78.1%**	**3.4%**	**82.8%**		
	-																								

	ACTUAL	TARGET	
ITA %	**55.0%**	**50.0%**	A
ADIMINISTRATIVE COST %	**9.0%**	**8.0%**	B

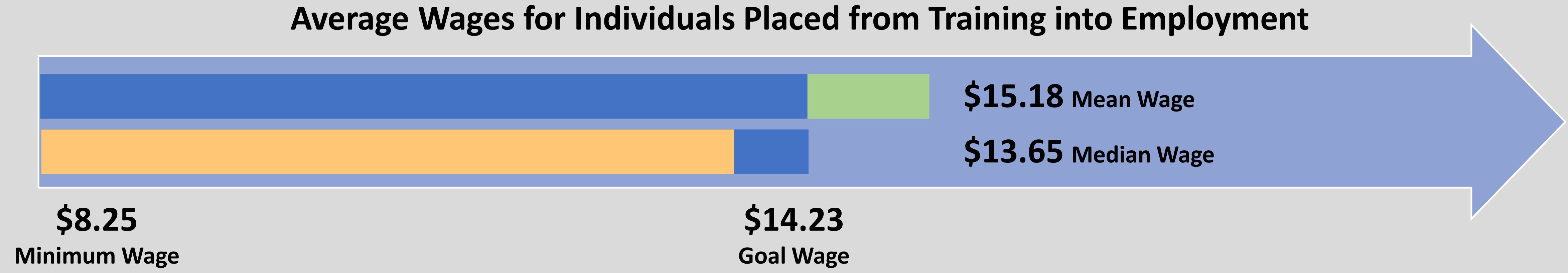
A- The states mandates that 50% of total WIOA adult and disclocated worker funds are spent in client intensive training activities.

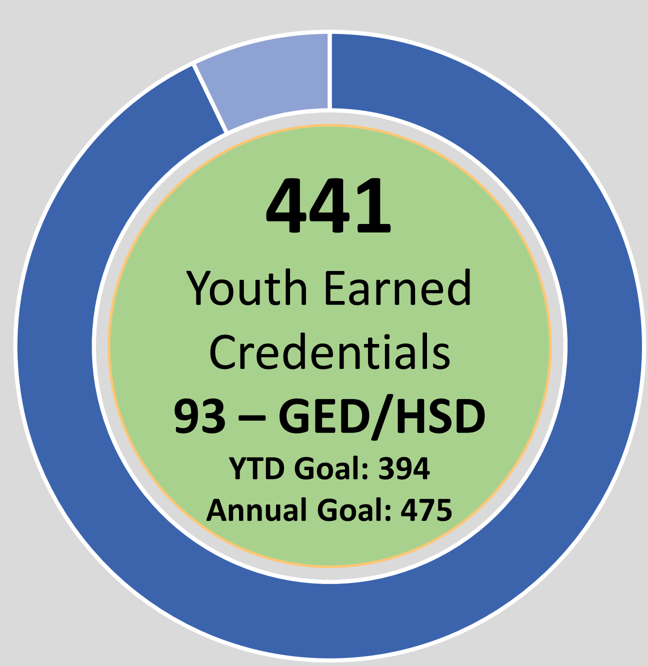
B - The state mandates that total administrative cost are not to exceed 10% of total cost.

PY 17-18 Operations Report

Through 04.30.2018

Average Wages for Individuals Placed from Training into Employment





PY 17-18 Target

PY 17-18 YTD Actual

Exceeded goal

Behind on goal

On track to meet goal

Data Source: Employ Florida, OSST

CareerSource Central Florida
Current Year Budget and 2 yr Expenditure Comparison
As of 04/30/18

Funding Sources	CY Revenue	PY Revenue	$ Difference	% Difference
Carry In Funds From FY 16 - 17	5,657,409	6,270,182	(612,773)	
FY 17 - 18 Award	33,365,447	27,626,333	5,739,114	
Award Total - Available Funds	39,022,856	33,896,515	5,126,341	
LESS planned Carryover For FY 18 - 19	(8,448,540)	(3,680,301)	(4,768,239)	
Total Available Funds Budgeted	**30,574,316**	**30,216,214**	**358,102**	**1.2%**

	Budget	CY Expenditures	PY Expenditures	$ Difference	% Difference
Salaries/Benefits	**13,063,016**	**9,752,007**	**10,953,860**	**(1,201,853)**	**-11.0%**
Career & Youth Services	**12,356,800**	**7,565,172**	**8,082,630**	**(517,458)**	**-6.4%**
Professional Fees	**870,000**	**700,206**	**530,335**	**169,871**	**32.0%**
Outreach	**232,500**	**122,903**	**252,503**	**(129,600)**	**-51.3%**
Infastructure/Maintenance & Related Cost	**2,622,000**	**1,965,145**	**2,159,164**	**(194,019)**	**-9.0%**
IT Cost/Network Expenses	**1,125,000**	**684,820**	**934,258**	**(249,438)**	**-26.7%**
Staff Development & Capacity Building	**305,000**	**153,288**	**320,862**	**(167,574)**	**-52.2%**
TOTAL EXPENDITURES	**30,574,316**	**20,943,541**	**23,233,612**	**(2,290,071)**	**-9.9%**

	BUDGET	CY ACTUAL	PY ACTUAL
ITA %	**50.0%**	**55.0%**	**69.8%**
ADIMINISTRATIVE COST %	**8.0%**	**9.0%**	**8.4%**

CareerSource CENTRAL FLORIDA

Annual Budget

2018 / 2019

May 24, 2018

collaborate ◀
innovate ◀
lead ◀
CareerSourceCentralFlorida.com ◀

AGENDA

- Strategic Focus
- Full-Year Budget 2018-2019
- Staffing, General & Administrative
- Service Delivery Strategy
- Training Priority Criteria Exercise
- Summary

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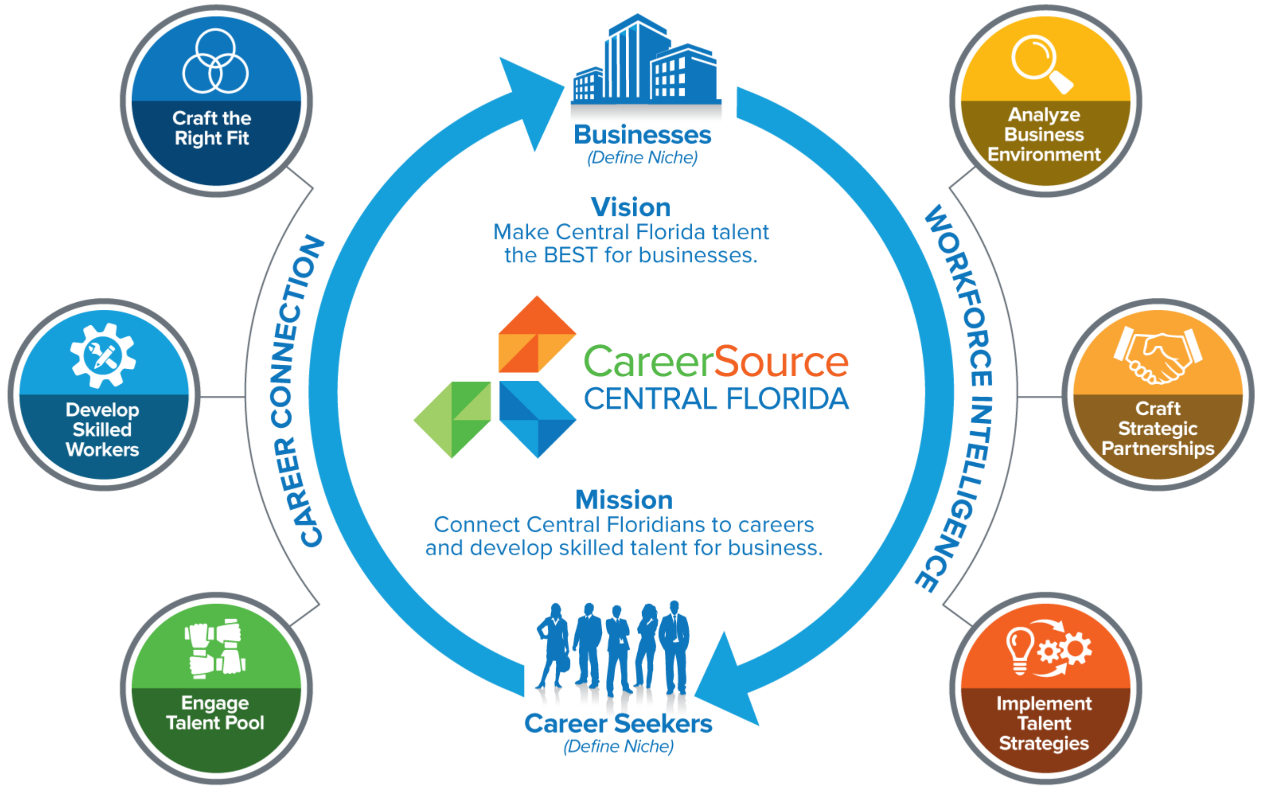
CSCF Strategy

Board Strategic Focus Areas



Customer Framework Model

CSCF Organizational Goals
#1 Analyze the Business Environment

Board Goal

Analyze the Business Environment

CSCF Strategy

Validation of Key Occupational Demands and Gaps with Business Partners

Prioritize Resources to Fulfill Business Demand and Gaps to Drive CSCF Operations

Execute a Business Outreach Plan that Aligns with Validated Needs

Determine Business Satisfaction Annually with CSCF Annual Training Investments by Conducting Focus Groups and Surveys

- ✓ Investment in Training Resources in High Growth Industry is Strategically Prioritized
- ✓ Increased Business Satisfaction with CSCF Training Investment

CSCF Organizational Goals
#2 Engage the Talent Pool

Board Goal

Engage the Talent Pool

CSCF Strategy

More Deeply Define Career Seeker Attributes to Attract and Engage Niche Customer

Refine CSCF Career Seeker Experience to Enhance Strategy & Engage Talent

Determine Career Seeker Satisfaction Annually with CSCF Training by Conducting Focus Groups and Surveys

- ✓ 2,000 Career Seekers Entered High Growth Industries at an Average Wage of $15 per Hour or More
- ✓ Increased Career Seeker Satisfaction with CSCF Training

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Full-Year Budget 2018-2019

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REVENUE HIGHLIGHTS

	FY 2018/2019	FY 2017/2018	DIFFERENCE	%
Total Carry Forward From PY Allocations	$8,600,000	$5,657,409	$2,942,591	
Total New Allocations	$25,981,443	$33,365,447	($7,384,004)	
Award Total - Available Funds	$34,581,443	$39,022,856	($4,441,413)	
LESS planned Carryover For FY 19 - 20	-$3,381,443	-$8,448,541	$5,067,098	
Total Available Funds Budgeted	$31,200,000	$30,574,315	$625,685	2.0%

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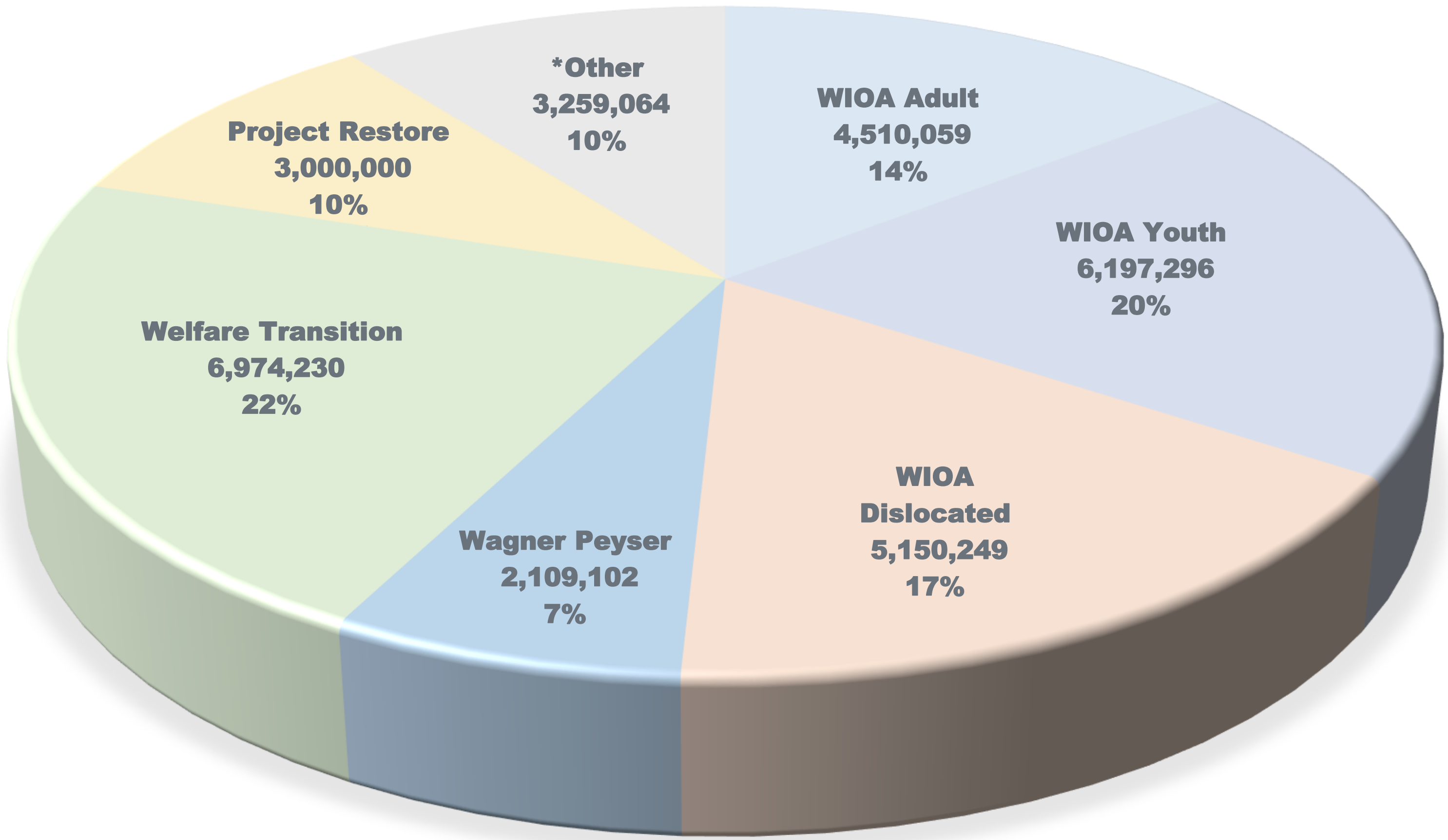
Revenue Summary
Year-to-Date 2017 – 2018
$31M



* Includes Unrestricted Revenue

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CSCF Budget Allocation Full Year 2018 – 2019 $31.2M

Allocations	Budget	% of Expenditure
Staff Supporting Service Delivery	10,725,000	34.4%
Service Delivery Cost (Training)	13,000,000	41.7%
Staff Supporting General & Administrative	2,653,000	8.5%
Staff Development	305,000	1.0%
Outreach	282,000	0.9%
Facilities, Maintenance & Related Cost	2,400,000	7.7%
G&A Professional Contracted Services	670,000	2.1%
IT Cost/Network Expenses	1,165,000	3.7%
TOTAL EXPENDITURES	31,200,000	100.0%

SERVICE DELIVERY COST	
$23,725,000	76.0%

GENERAL & ADMIN COST	
$7,475,000	24.0%

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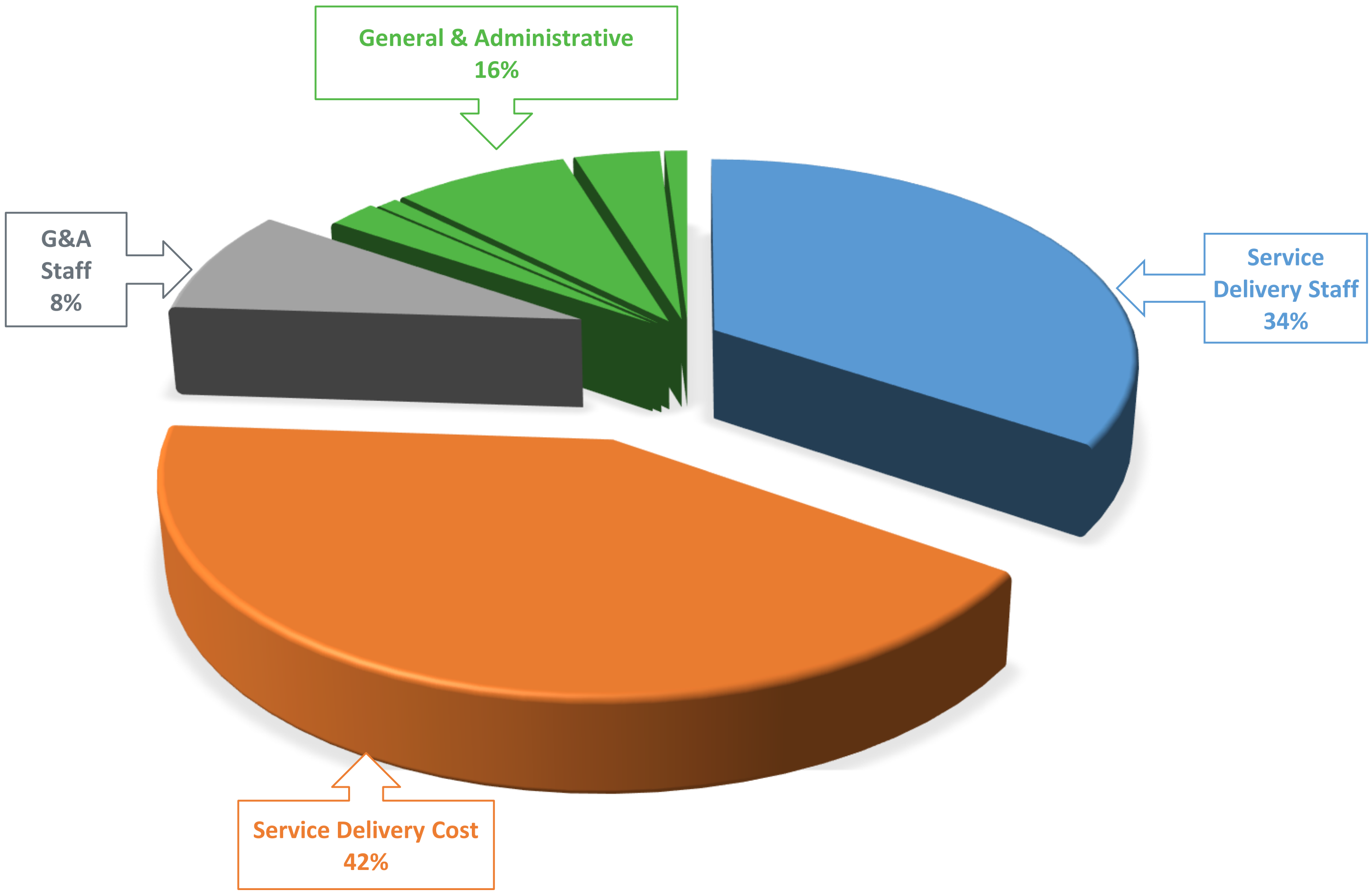
EXPENDITURES



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Unrestricted Revenue

REVENUE		BUDGET
Unresticted Balance As of April 2018	$	660,758
Additional Revenue - May & June 2018	$	35,000
Ticket to Work - Projected Revenue	$	220,000
TOTAL PROJECTED REVENUE	**$**	**915,758**

EXPENDITURES		
Board Retreat & Associated Cost	$	8,000
Annual All Staff Meeting	$	12,000
Business Service/Community Relations Activities/Incidentals	$	45,000
Ticket to Work- Staff and OH Cost (1FTE)	$	75,000
TOTAL PROJECTED EXPENDITURES	**$**	**140,000**

CSCF is seeking approval from the board to utilize $60K of discretionary funds for activities that align with CSCF's business strategy, but are not allowed under grant funding.

PROJECTED BALANCE AT 06/30/19 - (ROUNDED) $ 775,000

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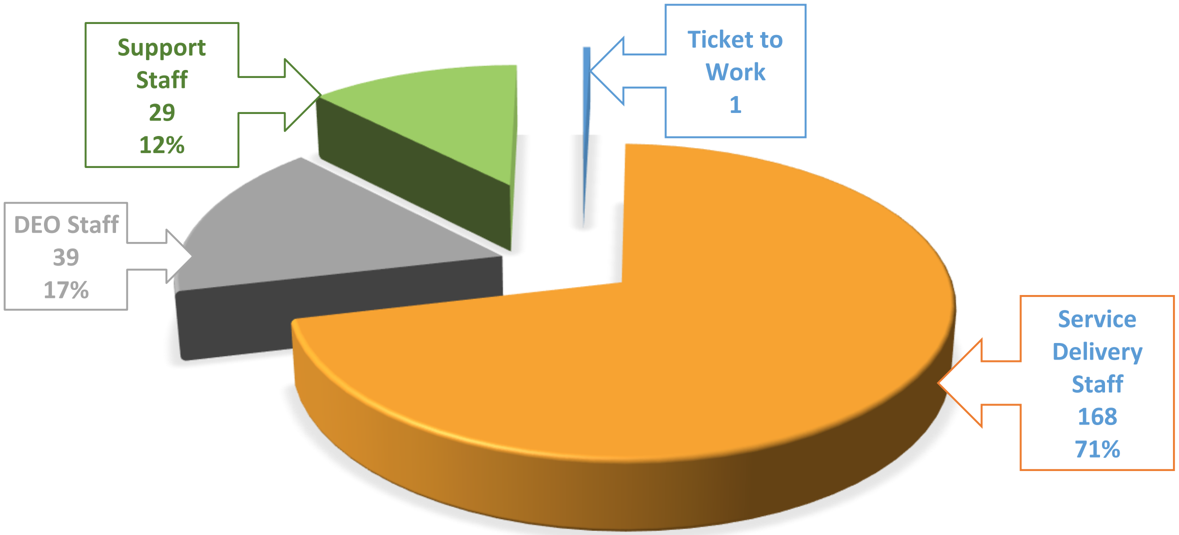
CENTRAL FLORIDA

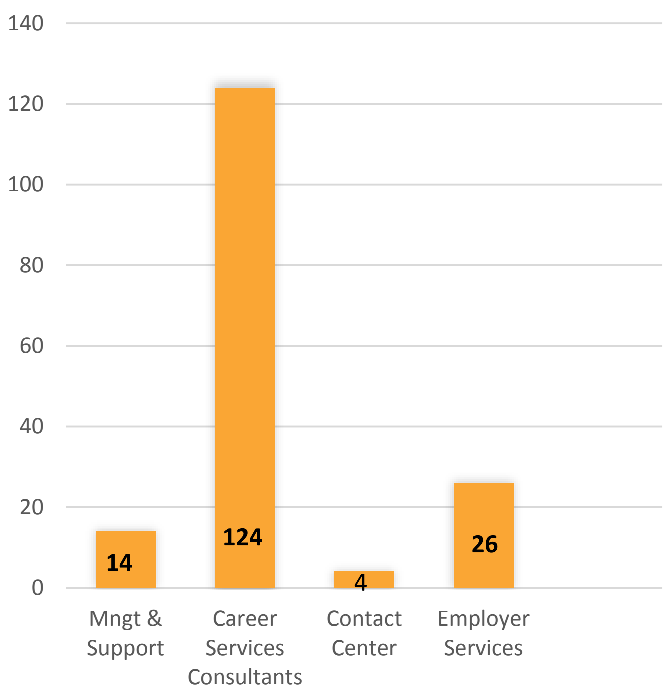
Staffing, General & Administrative

CSCF Staffing Census
$13.4M

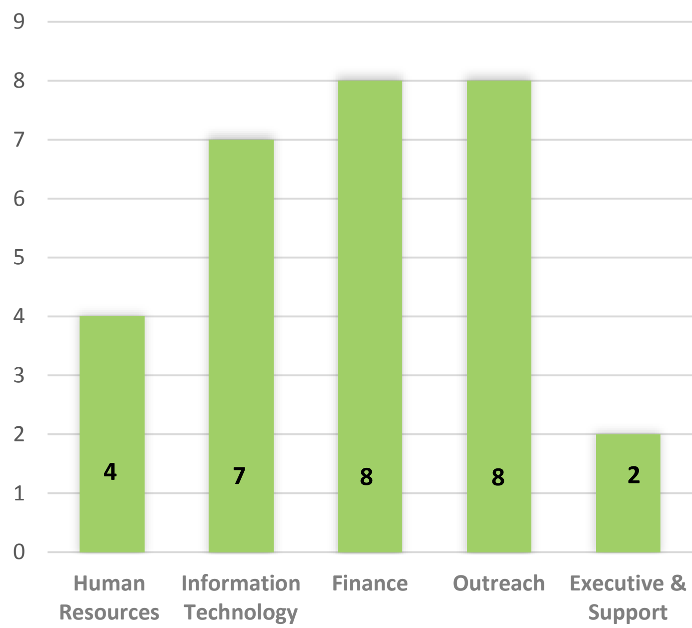


- The proposed budget for salaries reflects a 3 percent merit increase
- The total amount awarded for merits will not exceed 3 percent of salaries
- Merit increases are awarded based upon achievement of annual performance goals

CSCF Staff Blend

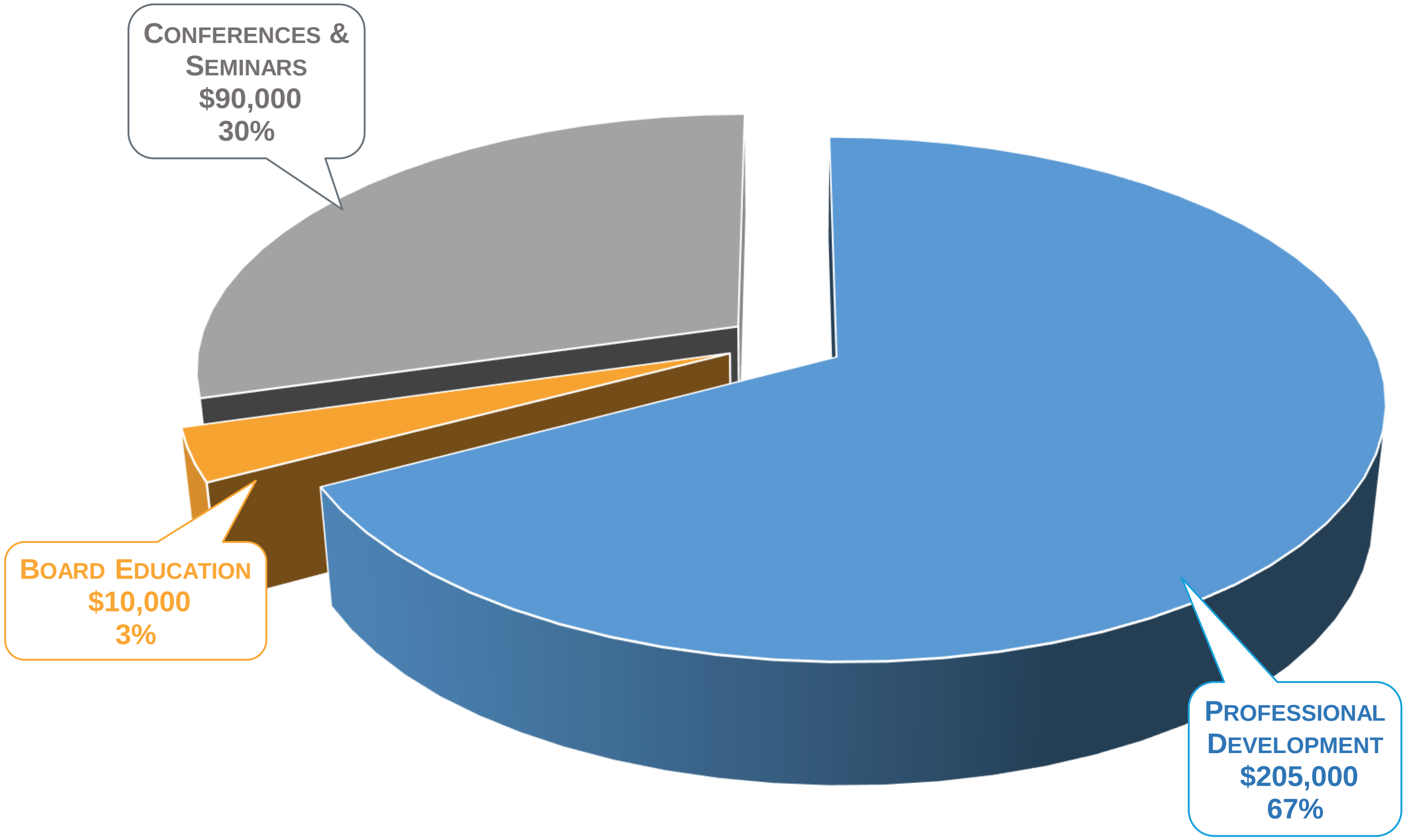


$10.3M Service Delivery
168 FTEs



$2.6M General & Administrative
29 FTEs

CSCF Staff Development
$305K



CSCF Staff Development

Attract

- Strong Benefits
- Competitive Wage
- Growth Opportunities
- Culture that Promotes Core Values

Develop

- Ongoing Education Opportunities
- Enhancing Skills though Networking, Leadership Programs, Workshops
- Professional Development at Individual, Team and Department Levels

Engage

- Comprehensive Employee Communications: Up, Down and Across the Organization
- Corporate Social Responsibility – Creating Meaningful Experiences in Community
- Career Pathing

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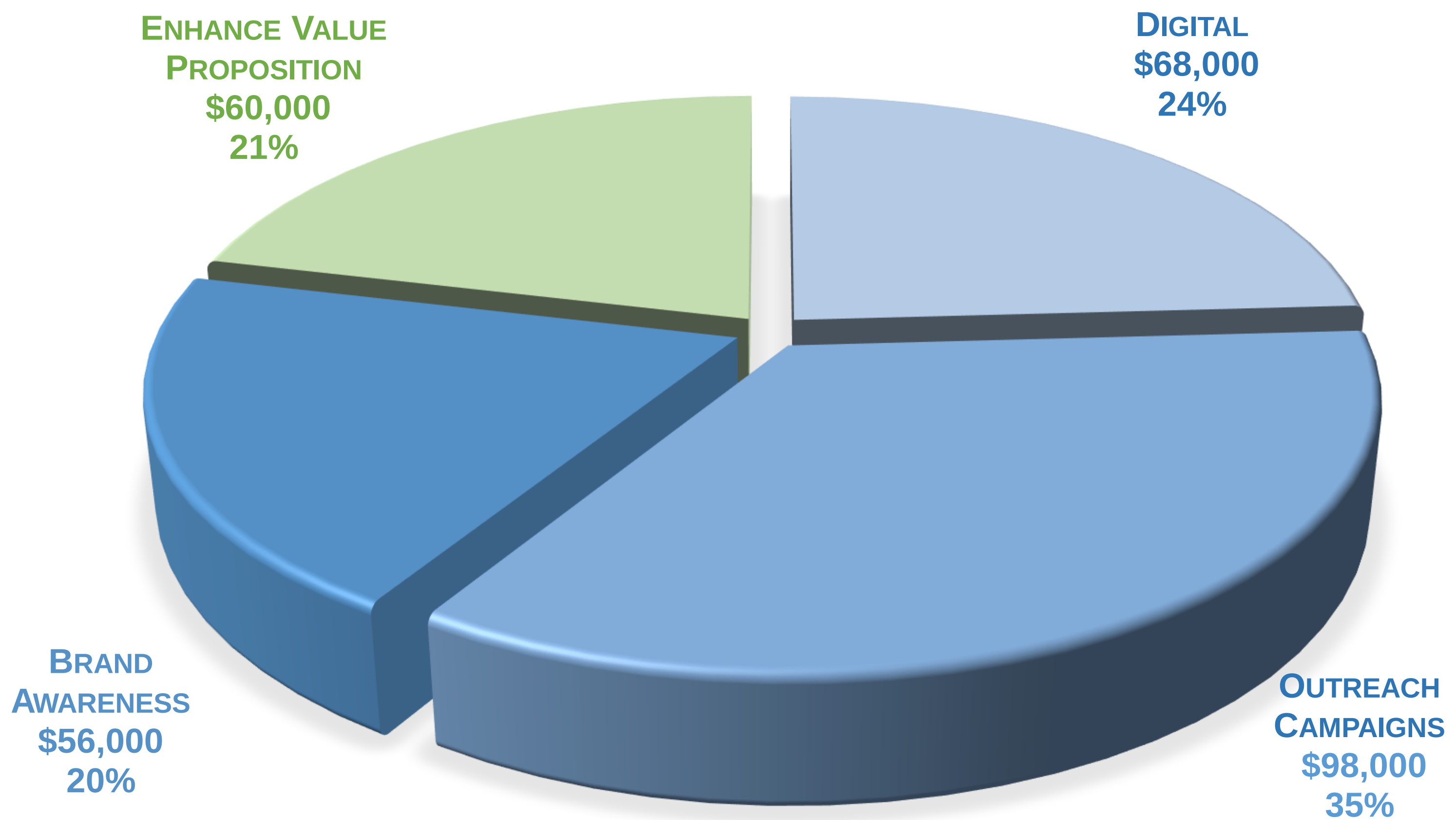
OUTREACH BUDGET $282K



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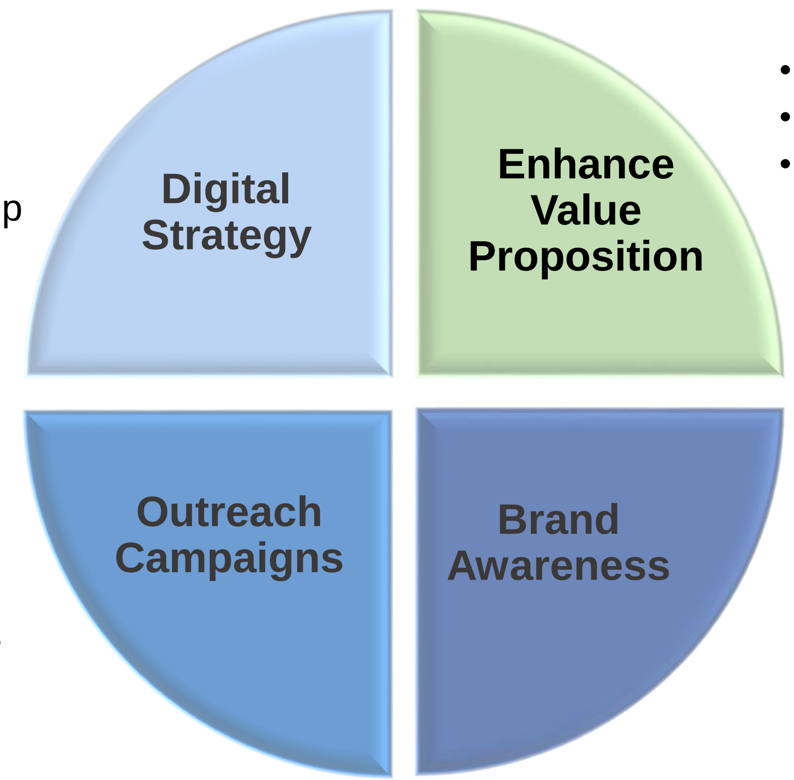
OUTREACH STRATEGIES

- Website
- Search Engine Optimization
- Customer Relationship Manager Platform

- Messaging Strategy
- Internal Communication Strategy
- Niche Customer Research

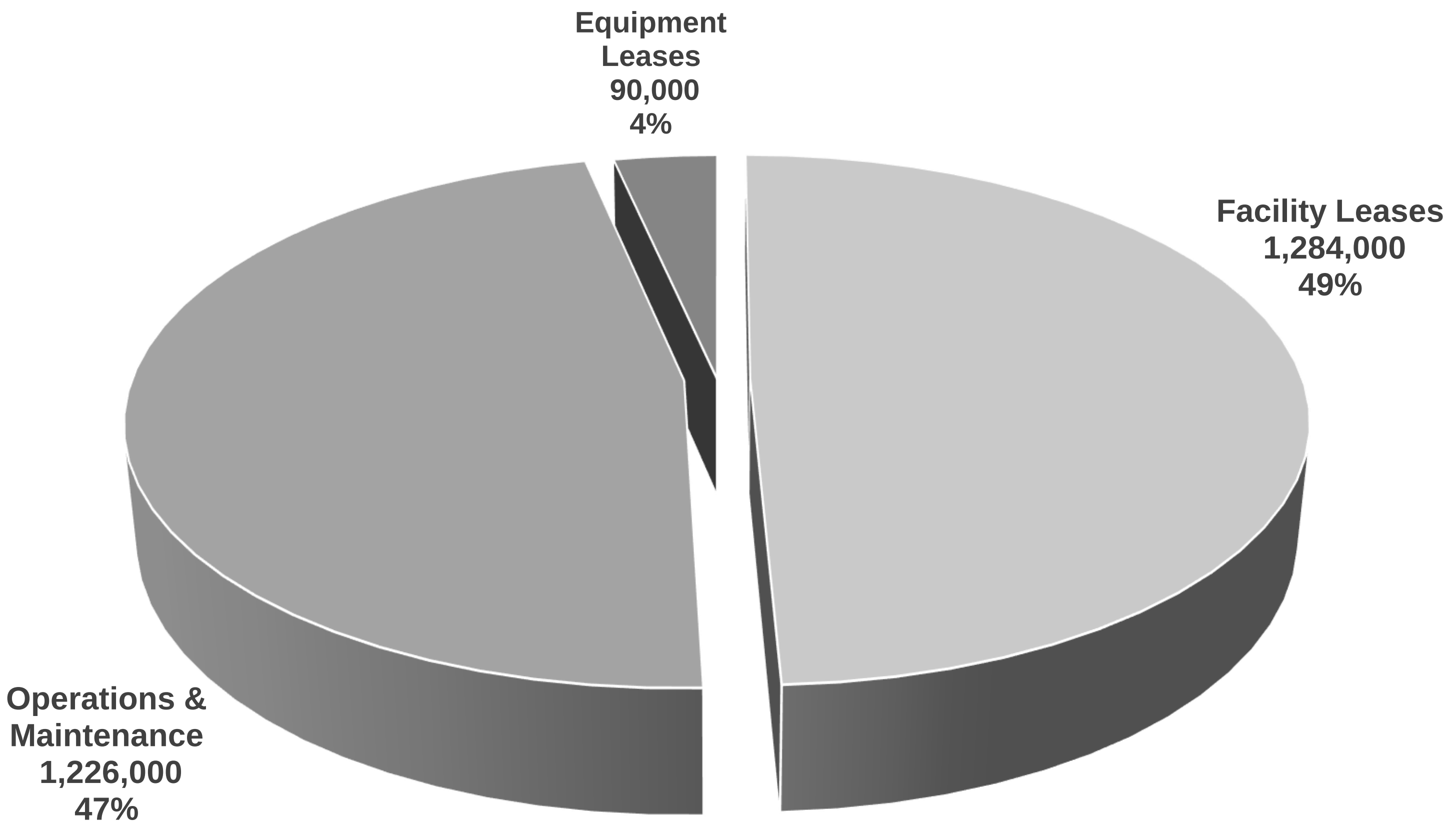


- Paid Campaigns
- Sponsorship & Events
- Social Media

- Brand Assets
- Customer Journey Experience

CareerSource CENTRAL FLORIDA

FACILITIES, MAINTENANCE & RELATED COSTS $2.4M



CareerSource CENTRAL FLORIDA

FACILITIES

Rent and related cost associated with maintaining facilities represents approximately 7.7% of the total rent

(1) Lake	
Total Square Foot	9,860
Annual Rental Cost	$146,183
Expiration Date	7/31/2018

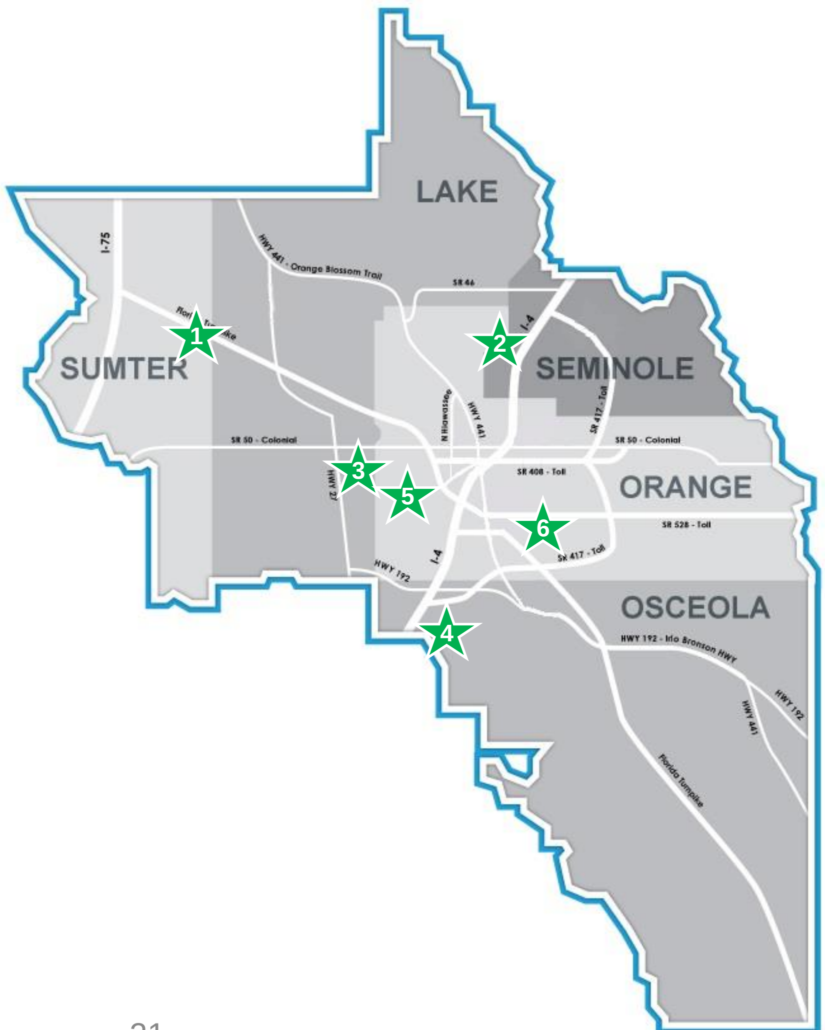
(2) Seminole	
Total Square Foot	10,031
Annual Rental Cost	$176,225
Expiration Date	4/30/2019

(3) West Orange	
Total Square Foot	13,054
Annual Rental Cost	$188,891
Expiration Date	5/31/2019

(4) Osceola	
Total Square Foot	30,625
Annual Rental Cost	$269,806
Expiration Date	12/31/2019

(5) Administration	
Total Square Foot	14,932
Annual Rental Cost	$336,144
Expiration Date	4/30/2021

(6) Southeast Orange	
Total Square Foot	12,363
Annual Rental Cost	$166,777
Expiration Date	9/30/2021



CareerSource CENTRAL FLORIDA

G&A Professional Contracted Services $670K

Accounting / External Monitoring — $200K

- External Financial Audit Fees and Third-party Financial Monitoring

Human Resources — $125K

- Benefit Broker Fees, Third-party Payroll Services and New Hire Background Services

Legal — $75K

- General Counsel Fees and Employment Law Support

Board Strategies — $70K

- Sterling Implementation and Board Strategies

CareerSource CENTRAL FLORIDA

INFORMATION TECHNOLOGY $1.16M

CareerSource
CENTRAL FLORIDA

Information Technology Strategy

- **Drive Best-in-Class Technology Solutions**
  - Expand CSCF's Technology Portfolio to Drive More Efficient Data Analysis and Knowledge of Workforce Intelligence and Career Seeker Attributes
  - Research and Develop Customer Relationship Manager Platform
  - Improve and Enhance Cloud-based and Mobile Technology Solutions
- **Deliver Technology Upgrades**
  - Upgrade Computers Utilized at Career Centers to Create New Career Seeker Experience
  - Create Virtual Communication Platforms for Staff and Customer Use
  - Upgrade CSCF Network Infrastructure with Modern High-performing and Secure Platforms to Meet Next Generation Technology Requirements

CareerSource
CENTRAL FLORIDA

Service Delivery Strategy

CareerSource CENTRAL FLORIDA

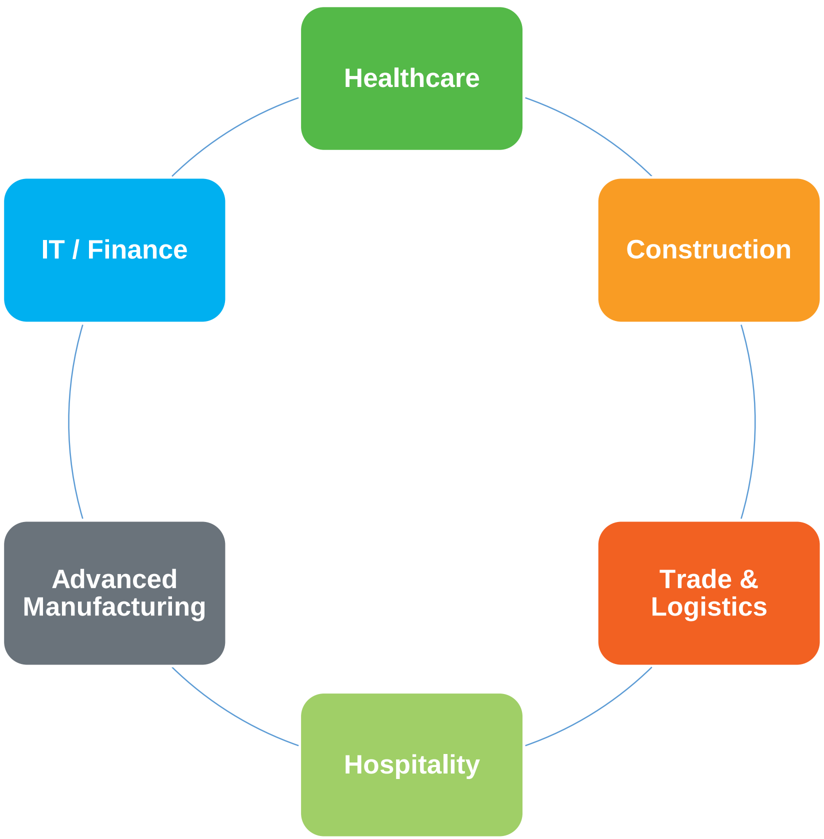
Service Delivery Budget $13M

Service Delivery (Training)	$10.3M
Customer Support & Incentives	$1.5M
Contracted Service Delivery	$1.2M

CareerSource CENTRAL FLORIDA

HIGH GROWTH STRATEGIES

Industries



In-Demand Careers

CareerSource
CENTRAL FLORIDA

HEALTHCARE

- **Highest Growth of All Industries, at 24.7%**
- **Industry Expected to Add About 34,000 Jobs by 2025**
- **Greatest Growth in Ambulatory Services and Long-term Care Facilities**
- **Average Wage is $17.11 per Hour**
- **Opportunity to Focus on Short-term Training for Healthcare Support Occupations**

In-Demand Careers

Dental
- Assistants
- Hygienists

Medical
- Equipment Preparers
- Dispensing
- Phlebotomists
- Respiratory Therapists
- Medial Records/Health Information

Technicians
- Radiology
- Surgical
- Emergency Medical
- Laboratory
- Pharmacy
- Veterinary
- Sonographers
- Physical Therapist Assistants

Traditional
- Opticians
- Nursing
- Paramedics

CareerSource
CENTRAL FLORIDA

CONSTRUCTION

- **Second Highest Increase in Industry Growth through 2025 at 18.3%**
- **By 2025, an Estimated 14,000 Jobs will be Added**
- **Specialty Trade Contractors and Building Construction Realizing the Most Growth**
- **Average Wage is $14.25 per Hour**
- **Opportunity for CSCF to Expand from Current "Basic Construction" Training to Meet the Variety of In-Demand Occupations**

In-Demand Careers

Crafts
- Masonry
- Carpenters
- Tile and Marble
- Painters
- Glazer

Traditional
- Electrician
- Roofers
- Heating, A/C
- Estimators

Labor
- Installers
- Operators
- Mechanics
- Extraction

Utilities
- Electrical Power-Line
- Installers
- Repairers

CareerSource CENTRAL FLORIDA

INFORMATION TECHNOLOGY & FINANCE

- **Industry is Expected to Grow by 13.9%**
- **Industry Projected to Add About 30,000 Jobs by 2025**
- **Greatest Growth in Professional, Scientific, Technical Areas**
- **Average Wage per Hour is $21.03**
- **These Careers are In Demand Across all Industries**

In-Demand Careers

Technology

Web Developers
Software Developers, Applications
Cyber Security
Computer Systems

Analysts

Database Administrator
Help Desk

Business

Billing and Clerical Analyst
Finance

CareerSource
CENTRAL FLORIDA

Advanced Manufacturing

- Industry is Expected to Grow by 4.3% as Skilled Workers are Needed to Replace Aging Out Workforce
- Industry Projected to Add About 2,000 Jobs by 2025, However More Technical Jobs May be Added and Contribute to Growth in Information Technology
- Average Wage per Hour is $15.12
- Alignment with Regional Economic Development Strategies

In-Demand Careers

Computer Numerical Control (CNC)
Machine Operators
Tool Operators
Programmers

Computer Controlled Machine (CCM)
Metal and Plastics
Assemblers & Fabricators
Molders

Operators

CareerSource CENTRAL FLORIDA

Trade & Logistics

- Industry is expected to grow by 11.2%
- Greatest Growth in Retail Trade (12%), and Transportation & Warehousing (9.7%)
- Industry Expected to Add about 27,000 jobs by 2025, with 3,700 in Transportation & Warehousing and 19,000 in Retail Trade
- Average Wage per Hour is $16.33
- Opportunity for CSCF to Expand from Current "Truck Driver" Training to Offer Additional Opportunities in Warehousing / Logistics to Meet the Variety of In-Demand Jobs

In-Demand Careers

Transportation

Service Technicians

Truck Drivers

Warehouse Distribution

CareerSource CENTRAL FLORIDA

HOSPITALITY

- **Industry is expected to grow by 14.6%**
- **Industry expected to add about 38,000 jobs by 2025**
- **Greatest growth in Food Services & Drinking Places**
- **Average Wage per Hour is $10.09**
- **Recommended by Hospitality Businesses to Focus Exclusively on Culinary and Food Service Occupations**

In-Demand Careers

Culinary

First-Line Supervisors

Preparation Sous Chefs

Chefs / Head Cooks

CareerSource CENTRAL FLORIDA

Direct Service Delivery

Training Priority Criteria

CareerSource CENTRAL FLORIDA

Direct Service Delivery Training Priority Criteria $10.3M

Rationale for Training Priority

- **Demand for Employment and Talent Needs**
- **Industry Growth Projections through 2026**
- **In-Demand Occupation Growth Projections**
  - ✓ Estimated growth between 15% – 34%
  - ✓ Offer competitive wages or $15 per hour or higher
  - ✓ Career pathway opportunities to move an individual to $15 per hour within 12 months
  - ✓ Investment based on average training cost of $5K per individual with $8K cap

Training Options

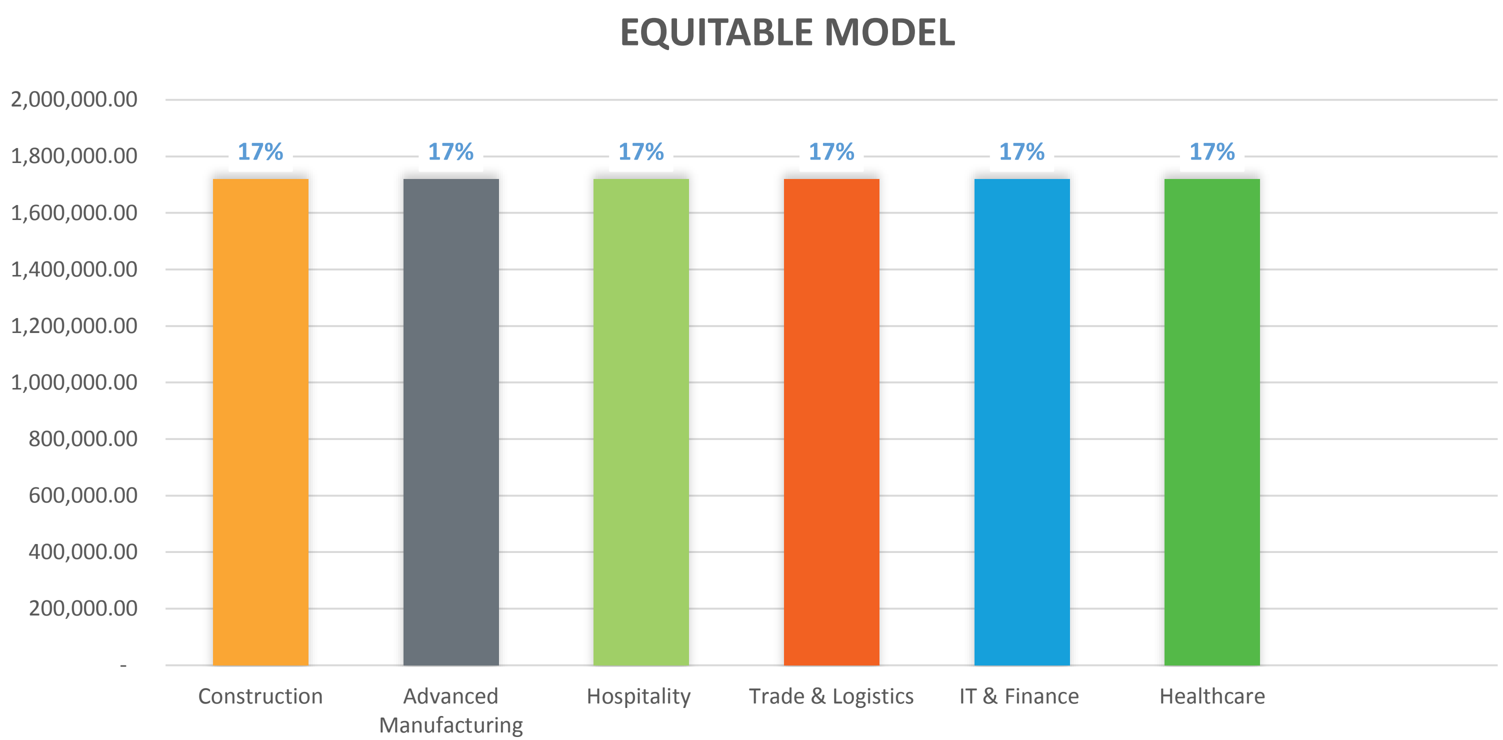
- ✓ **On the Job Training (New Hire)**
- ✓ **Apprenticeship**
- ✓ **Internships**
- ✓ **Scholarships**
- ✓ **Employee Training**

CSCF Goal

Train 2,000 Career Seekers

CareerSource CENTRAL FLORIDA

Talent Development Targets by Industry

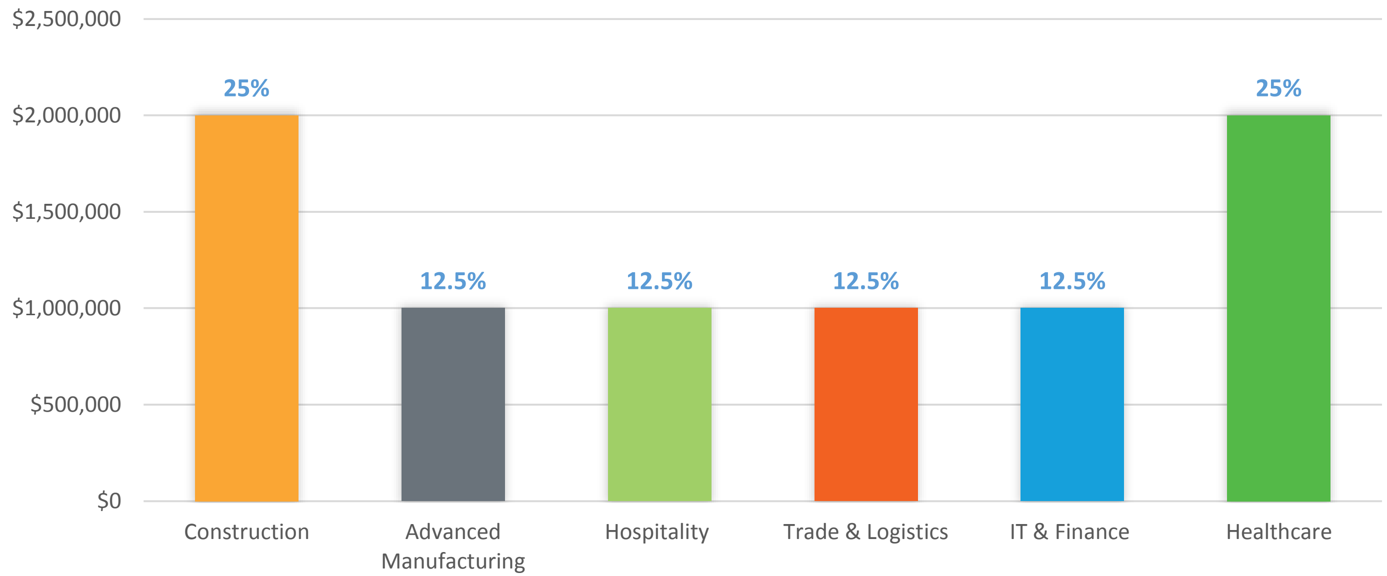


- **Invest Evenly Across All Six High Growth Industries**
- **345 Career Seekers will Receive Training in Each of the Six Industries**

CareerSource CENTRAL FLORIDA

Talent Development Targets by Industry

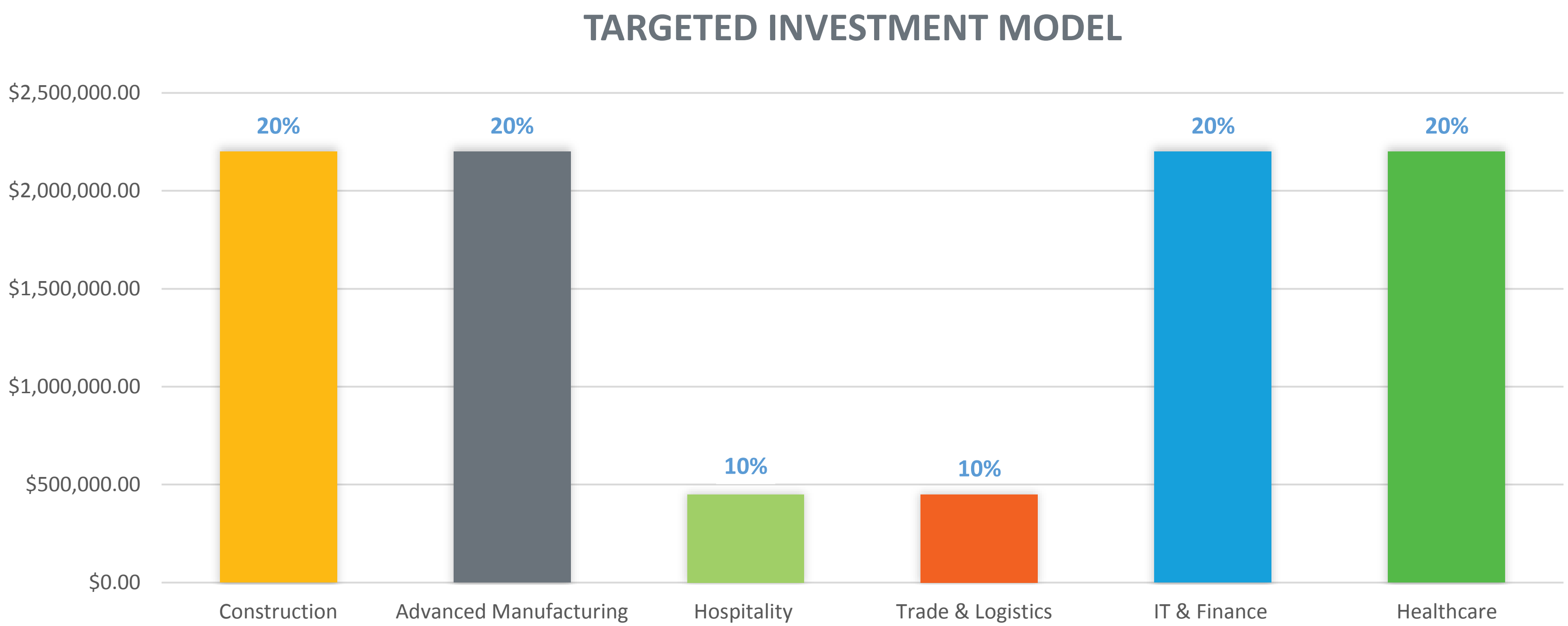
IMPACT MODEL



- **Equally Invest the Most in the Healthcare and Construction Industries Due to High Volume of In-Demand Professions**
- **Invest in Remaining Four Industries Evenly**
- **510 Career Seekers will Receive Training in Construction and Healthcare, respectively**
- **260 Career Seekers will Receive Training in Advanced Manufacturing, Hospitality, Trade, Logistics, IT & Finance, respectively**

CareerSource CENTRAL FLORIDA

Talent Development by Industry



- **Target Investment Evenly in Top 4 Highest Growing Industries that Offer Competitive Wages**
- **Drive Higher Impact by Investing Only in Culinary Occupations in the Hospitality Industry**
- **1,600 Career Seekers will Receive Training in the Construction, Advanced Manufacturing, IT & Finance and Healthcare Industries (400 each)**
- **400 Career Seekers will Receive Training In the Hospitality and Trade & Logistics Industries (200 each)**

CareerSource
CENTRAL FLORIDA

SUMMARY

- **Board Goals - Analyze the Business & Engage the Talent Pool**
- **Fiscal Responsibility**
    - **Total Funding Revenue $31.2M; Year-over-Year +2%**
    - **Drive Funding Strategies in High Growth Industries and Training for In-Demand Occupations**
    - **Invest $10.3M in Service Delivery**
- **Continue Focus Resources on High Growth Industries and in High Demand Career Professions**

CareerSource
CENTRAL FLORIDA

DISCLOSURES

- Revenues available to CareerSource Central Florida (CSCF) were defined by the CareerSource Florida budget, which was approved on May 15, 2018.
- The amount of carry-forward funds from the 2017-18 Program Year is an estimate based on projected expenditures for May and June of 2018. Once the annual financial statements have been closed for the Program Year, the projected carry-in amount will be adjusted to the approved budget.
- Florida requires that at least 50 percent of the Workforce Innovation & Opportunity Act (WIOA) Adult and Dislocated Worker funds are spent on customer training. The Program Year budget reflects this in Service Delivery Cost.
- The State allowable cap for administrative cost is 10 percent of total expenditures. The total amount CSCF budgeted for administrative cost is 8 percent.
- The proposed budget for salaries reflects a 3 percent merit increase. Merit increases are awarded based upon achievement of annual performance goals. The total amount awarded for merits will not exceed 3 percent of salaries.
- CSCF negotiated employee health benefits, which resulted in fixed employee cost for the same high-quality healthcare coverage for three years consecutively.

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULE

JUNE 30, 2017 AND 2016

CAREERSOURCE CENTRAL FLORIDA
403(b) PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator of the
CareerSource Central Florida 403(b) Plan:

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of CareerSource Central Florida 403(b) Plan (the "Plan"), which comprise the statement of net assets available for benefits as of June 30, 2017, and the related statement of changes in net assets available for benefits for the fiscal year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor ("DOL")'s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by American United Life Insurance Company, the predecessor custodian of the Plan, Principal Life Insurance Company and AXA Equitable Life Insurance Company, the custodians of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the custodians hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the custodians as of and for the fiscal year ended June 30, 2017, that the information provided to the Plan administrator by the custodians is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion on the 2017 financial statements. Accordingly, we do not express an opinion on the 2017 financial statements referred to in the first paragraph.

Other Matter—Supplemental Schedule

The supplemental Schedule H, Part IV, Line 4i – Schedule of Assets (Held at End of Year) as of June 30, 2017 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Other Matter—Fiscal Year 2016 Financial Statements

The financial statements of the Plan as of June 30, 2016, 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 the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by American United Life Insurance Company and AXA Equitable Life Insurance Company, the custodians of the Plan. Their report, dated April 14, 2017, indicated that (a) because of the significance of the information that they did not audit, they were unable 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 (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

April 16, 2018

CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
JUNE 30, 2017 AND 2016

	June 30, 2017	June 30, 2016
Assets:		
Investments at fair value	$ 5,242,508	$ 4,451,481
Receivables:		
Notes receivable from participants	182,107	180,010
Total receivables	182,107	180,010
Total assets	5,424,615	4,631,491
Liabilities:		
Contributions refund payable	-	445
Net assets available for benefits	$ 5,424,615	$ 4,631,046

See accompanying notes to the financial statements.

CAREERSOURCE CENTRAL FLORIDA 403(b) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Additions to net assets attributed to:	
Investment income:	
Net appreciation (depreciation) in fair value of investments	$ 333,247
Net investment gain from pooled separate accounts	40,587
Interest	10,971
Interest income on notes receivable from participants	7,202
Dividends	34,461
	426,468
Contributions:	
Participants	413,551
Participant rollover	137,274
Employer	405,995
	956,820
Total additions	1,383,288
Deductions:	
Benefits paid to participants	565,352
Administrative expenses	26,825
Deemed distributions of participant loans	11,951
Total deductions	604,128
Net increase	779,160
Transfers of assets to the plan	14,409
Net assets available for benefits, beginning of year	4,631,046
Net assets available for benefits, end of year	$ 5,424,615

See accompanying notes to the financial statements.

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

NOTE 1 – PLAN DESCRIPTION

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.

a) *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, was restated effective February 1, 2011, and was amended effective January 1, 2015. This amendment changed the Plan year-end to June 30 starting with the June 30, 2015 year-end. During the current fiscal year, the Plan changed custodians and approved a restatement of its Plan effective on November 1, 2016. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

b) *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.

c) *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 limitation of $18,000 for the Plan year ended June 30, 2017. Certain additional contributions are allowed for employees over age limits defined in the Internal Revenue Code. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

   While the custodian of the Plan was American United Life Insurance Company, the Company provided matching contributions equal to 50% of a participant's elective deferrals not to exceed 3% of the participant's compensation. The Company also provided a non-elective contribution equal to 3% of the compensation of all participants eligible to share in allocations. Once the custodian of the Plan switched from American United Life Insurance Company to Principal Life Insurance Company, the Company provided matching contributions equal to 100% of a participant's elective deferrals not to exceed 6% of the participant's compensation.

d) *Participant Accounts* - Each participant's account is credited with the employee contributions, the Company's contributions, plan earnings, 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.

e) *Vesting* - Employee contributions and rollover contributions are immediately vested. Employer contributions vest according to the following schedule:

Years of Service	Vested Percentage
Less than 1 Year	0%
1	25%
2	50%
3	100%

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

NOTE 1 – PLAN DESCRIPTION (Continued)

f) *Payment of Benefits* - 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 vested account resulting from elective deferral contributions, matching contributions, qualified non-elective contributions, additional contributions, and discretionary contributions any time after he attains age 59 ½. Age 59 ½ withdrawals made be made once annually in any 12-month period. Withdrawals may be a single lump sum distribution or annual installments.

a) *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 account balance. Participants are allowed no more than one outstanding loan at a time. The loans are secured by the balance in the participant's account and bear interest at a rate comparable to the rates being charged by lending institutions in the same geographic locale as the Employer. The maximum term of any loan may not exceed five years, unless it is for the purpose of buying a primary residence. The term of the loan is limited to 15 years for the purchase of a principal residence.

b) *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 financial statements of the Plan have been prepared on an accrual basis of accounting, except for benefit payments, which are reported on a cash basis in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties - The Plan provides for various investment options. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near future and that such changes could materially affect participants' account balances and 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 Valuation and Income Recognition - Investments are reported at fair value. To the extent available, fair value is based on quoted market prices in active markets on a trade-date basis. The investment contracts are also reported at fair value which approximates contract value. Contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Additional information regarding the fair value measurement of investments is disclosed in Note 3.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Valuation and Income Recognition (Continued) - Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

The carrying value of accounts receivable and accounts payable approximates fair value due to their short-term nature.

Payment of Benefits - Benefits are recorded when paid.

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

Forfeited Accounts - As of June 30, 2017 and 2016, there were $3,658 and $1,827, respectively, in forfeited non-vested accounts. These accounts may be used to reduce future employer contributions or to pay administrative expenses.

NOTE 3 – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Inputs to the valuation methodology include:

- Quoted prices for identical assets or liabilities in active markets;

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2017 and 2016.

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 Securities and Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

Mutual funds, index funds, and variable annuity balanced mutual funds in pooled separate accounts: Valued at the daily closing price as reported by the fund. Mutual funds, index funds, and variable annuity balanced mutual funds held by the Plan are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. While the underlying asset values may be based on quoted market prices, the net asset value of the portfolios is not publicly quoted. Accordingly, these investments have been reported as level 2.

Guaranteed investment contract with an insurance company: As there is no observable market price for these types of contracts, the fair value is calculated by projecting contract balances, at the valuation date, forward to maturity dates using the contract guaranteed interest rate net of management fees and then discounting this value back using the current new money declared interest rates for each appropriate maturity term. In cases where the remaining maturity term does not fall on a declared rate term, the rate from the nearest two maturity term rates is linearly interpolated.

The preceding methods described 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.

The following table sets forth, by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 4,300,035	$ -	$ -	$ 4,300,035
Pooled separate accounts	-	263,823	-	263,823
Guaranteed investment contract with an insurance company	-	-	678,650	678,650
Total assets at fair value	$ 4,300,035	$ 263,823	$ 678,650	$ 5,242,508

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2016:

	Level 1	Level 2	Level 3	Other {a}	Total
Mutual funds	$ 3,531,343	$ -	$ -	$ -	$ 3,531,343
Pooled separate accounts	-	-	-	330,208	330,208
Guaranteed investment contract with an insurance company	-	-	295,368	-	295,368
Stable value account	-	-	294,562	-	294,562
Total assets at fair value	$ 3,531,343	$ -	$ 589,930	$ 330,208	$ 4,451,481

In accordance with ASU 2015-07, certain investments that are measured at fair value using the NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table 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 FINANCIAL STATEMENTS

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the fiscal year ended June 30, 2017:

Balance, beginning of the year	$ 589,930
Purchases, sales, issuances and settlements (net)	77,749
Interest	10,971
Balance, end of the year	$ 678,650

The following table represents the Plan's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments and the significant unobservable inputs and the ranges of values for those inputs as of June 30, 2017 and 2016:

June 30, 2017

Asset	Fair Value	Valuation Technique	Unobservable Inputs	Rate (weighted average)
Guaranteed interest accounts	$678,650	Discounted cash flow	Risk - adjusted discount rate applied	1.00% - 3.00%

June 30, 2016

Asset	Fair Value	Valuation Technique	Unobservable Inputs	Rate (weighted average)
Stable value account	$294,562	Discounted cash flow	Risk - adjusted discount rate applied	1.25% - 1.50%
Guaranteed interest accounts	$295,368	Discounted cash flow	Risk - adjusted discount rate applied	1.75% - 3.00%

NOTE 4 – INFORMATION CERTIFIED BY CUSTODIAN

As of June 30, 2016 and during the fiscal year then ended, all of the Plan's investments were held by American United Life Insurance Company and AXA Equitable Life Insurance Company, the Plan's custodians. As of June 30, 2017, all of the Plan's investments were held by Principal Life Insurance Company and AXA Equitable Life Insurance Company, the Plan's custodians. During the fiscal year ended June 30, 2017, the Plan changed custodians from American United Life Insurance Company to Principal Life Insurance Company and transferred the investments held. As permitted by 29 CFR 2520.103-8 of the Department of Labor ("DOL")'s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed the auditor not to perform any auditing procedures with respect to the information summarized below, which was certified by American United Life Insurance Company, the predecessor custodian of the Plan, Principal Life Insurance Company and AXA Equitable Life Insurance Company, the custodians of the Plan, except for comparing the information with the related information included in the financial statements. The Plan administrator has obtained certifications from the custodians as of and for the fiscal year ended June 30, 2017 and 2016, that the information provided to the Plan administrator by the custodians is complete and accurate. Investments and notes receivable certified by the custodians are as follows:

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

NOTE 4 – INFORMATION CERTIFIED BY CUSTODIAN (Continued)

	June 30, 2017	June 30, 2016
Investments at fair value	$ 4,563,858	$ 4,156,113
Investments at contract value (equivalent to fair value)	678,650	295,368
Notes receivable from participants	182,107	180,010
Total assets certified by custodians	$ 5,424,615	$ 4,631,491

NOTE 5 – GUARANTEED INVESTMENT CONTRACTS WITH INSURANCE COMPANIES

The Plan has an investment contract (Guaranteed Interest Account) with AXA Equitable Life Insurance Company ("AXA") that is not fully benefit responsive. AXA maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract is not fully benefit-responsive; therefore, investments are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contract. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value less a transaction fee. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

During the current fiscal year, the Plan entered into benefit-responsive guaranteed investment contract with Principal Life Insurance Company ("Principal"). Principal maintains the contributions in a general account. The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The contract meets the fully benefit-responsive investment contract criteria. Contract value is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

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, unless outlined as exempt 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

Certain Plan investments are shares of funds managed by the custodians of the Plan, and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services are paid by the Company.

NOTE 7 – PLAN TERMINATION

While the Company has not expressed any intent to terminate the Plan, it reserves the right at any time to amend, modify or terminate the Plan without the consent of any participant or beneficiary.

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

NOTE 8 – TAX STATUS

The Plan has been designed to qualify under Section 403(b) of the Internal Revenue Code (Code). The terms of the Plan have been prepared to conform with the sample language provided by the Internal Revenue Service (IRS) in Revenue Procedure 2007-71. The Plan is required to operate in conformity with the Code to maintain the tax-exempt status for plan participants under Section 403(b). A tax determination letter program is not yet available for IRC Section 403(b) plans through the IRS. The Plan administrator believes that the Plan is currently designed and being operated in compliance with applicable requirements of the IRC and, as such, is exempt from Federal income taxes.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 9 – SUBSEQUENT EVENTS

Effective July 1, 2017, employees will be automatically enrolled in the Plan with a deferral rate of 4% of compensation, unless the employee elects otherwise. Deferral contributions for each active participant having automatic enrollment contributions will be increased annually by 1%, up to a maximum of 6% of compensation. The increase shall be 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.

NOTE 10 – DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Plan has evaluated events and transactions for potential recognition or disclosure through April 16, 2018, the date that the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

CAREERSOURCE CENTERAL FLORIDA 403(b) PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF JUNE 30, 2017

Plan Sponsor EIN # 59-3396497
Plan Number 001

Column (a)	Column (b) **Identity of issuer, borrower, lessor, or similar party**	Column (c) **Description of Investment including maturity date, rate of interest, collateral, par or maturity value**	Column (d) **Cost**	Column (e) **Current Value**
		Investments in insurance company general account (unallocated contracts):		
*		Principal Life Insurance Company Fixed Income Guaranteed Option	$ -	$ 401,626
		AXA Equitable Life Insurance Company Fixed Income Guaranteed Option	-	277,024
		Investments in mutual funds, at fair value:		
*		American Century One Choice In Retirement A Fund	-	232,582
*		American Century One Choice 2020 A Fund	-	341,758
*		American Century One Choice 2025 A Fund	-	750,103
*		American Century One Choice 2030 A Fund	-	598,607
*		American Century One Choice 2035 A Fund	-	466,193
*		American Century One Choice 2040 A Fund	-	411,625
*		American Century One Choice 2045 A Fund	-	610,529
*		American Century One Choice 2050 A Fund	-	203,676
*		American Century One Choice 2055 A Fund	-	85,395
*		American Century One Choice 2060 A Fund	-	5,644
*		American Century MidCap Value A Fund	-	112,971
*		Goldman Sachs Small Cap Value Service Fund	-	25,899
*		Invesco Divers Dividend A Fund	-	36,620
*		Janus Triton S Fund	-	69,701
*		MassMutual Select Mid Cap Growth Equity II R4	-	29,524
*		Oppenheimer International Growth A Fund	-	97,192
*		Pioneer Fundamental Growth A Fund	-	114,999
*		Principal LargeCap S&P 500 Index R5 Fund	-	51,855
*		Principal MidCap S&P 400 Index R5 Fund	-	25,072
*		Principal Real Estate Securities R5 Fund	-	4,280
*		Principal SmallCap S&P 600 Index R5 Fund	-	25,810

CAREERSOURCE CENTERAL FLORIDA 403(b) PLAN
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF JUNE 30, 2017

Column (a)	Column (b)	Column (c)	Column (d)	Column (e)
	Identity of issuer, borrower, lessor, or similar party	**Description of Investment including maturity date, rate of interest, collateral, par or maturity value**	**Cost**	**Current Value**
		Investments in pooled separate accounts, at fair value:		
*		EQ/Equity 500 Index	$ -	$ 8,950
*		EQ/International Equity Index	-	581
*		AXA/AB Small Cap Growth	-	840
*		EQ/Com Stck Index	-	11,484
*		Multimanager Aggressive Equity	-	16
*		AXA Moderate Allocation	-	86,723
*		AXA Conserv-Plus Allocation	-	17,164
*		AXA Moderate-Plus Allocation	-	93,699
*		AXA Aggressive Allocation	-	3,659
*		1290 VT GAMCO Mergers & Acq	-	384
*		EQ/Mid Cap Index	-	6,505
*		Multimanager Mid Cap Growth	-	966
*		Multimanager Mid Cap Value	-	897
*		AXA Int Val Managed Vol	-	928
*		AXA Lg Cap Grw Managed Vol	-	2,682
*		AXA Glb Eqty Managed Vol	-	2,673
*		AXA Mid Cap Val Managed Vol	-	1,152
*		EQ/BlackRock Basic Value Eqty	-	2,170
*		AXA Lg Cap Core Managed Vol	-	229
*		AXA Int Core Managed Vol	-	6,171
*		AXA Lg Cap Val Managed Vol	-	2,657
*		Charter Small Cap Value	-	611
*		EQ/Small Company Index	-	4,966
*		AXA/Fr Tmp Alloc Managed Vol	-	7,716
	Participant loans	Interest rates 4.25% - 6.44%	-	182,107
		Total	$ -	$5,424,615

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April 16, 2018

To the Board of Directors of the
CareerSource Central Florida 403(b) Plan:

We have conducted a DOL limited-scope audit of the financial statements of CareerSource Central Florida 403(b) Plan (the "Plan") for the fiscal year ended June 30, 2017 and have issued our report thereon dated April 16, 2018. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedule taken as a whole. We did, however, audit the form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. 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 May 5, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the 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 fiscal year 2017. 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 are based on your 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 estimate(s) affecting the financial statements was:

> Management's estimate of the fair value of the investments is based on valuation performed by the custodians. We evaluated the key factors and assumptions used to develop the estimate of the fair value of financial instruments 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.

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. None of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

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 that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 16, 2018.

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 auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Current year finding was as follows:

1) During contributions testing, it was noted that employer matching contributions for certain employees was miscalculated. The errors in computation appear to have been limited to employees that were contributing a fixed amount per pay period, as opposed to a percentage of compensation.

   Management Response: During the audit of CareerSource Central Florida's retirement 403b plan, Grau & Associates noted an error in the testing of employer matching contribution. Staff researched the issue immediately and identified that the source of the problem was due to a coding error by CSCF's payroll administrator, ADP. The error was limited to staff who were contributing a fixed dollar amount and allocated their time to more than one cost center. The magnitude of the issue during the fiscal year in testing consisted of twelve plan participants and a shortage of $1,300 in employer match contributions. As a corrective action plan, staff have taken the following steps:

   - Reached out to ADP to fix the coding issue to prevent this problem going forward.
   - Plan participants affected received communication of the issue and the plan to correct it.
   - Staff is working with its retirement plan administrator, Principal Financial to reimburse the missing employer contributions, to include a market calculation for lost earnings.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of you 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 supplementary information 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 Board of Directors and management of the Plan and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Grau + Associates

Grau & Associates

CareerSource CENTRAL FLORIDA

ACTION ITEM 1

To: Finance Committee
From: Leo Alvarez
Subject: CareerSource Central Florida - Facilities
Date: June 6, 2018

Purpose:

To provide a recommendation to the Finance Committee of CareerSource Central Florida's intent to relocate its facilities in Lake and Osceola Counties.

Background:

Lake County Office - CareerSource Central Florida's Lake County office lease is set to expire on July 31, 2018. As discussed in previous committee meetings, CSCF has a desire to partner with Lake Sumter State College and relocate its office to the College Foundation building. The Foundation building is centrally located in Lake County, on a high traffic road offering lots of visibility and public transportation for customers. Furthermore, the partnership also provides an opportunity to expand the career support services and job placement between the two organizations. Over the last nine months, CSCF has been negotiating rental costs with the college, as well as engaged an architect to draft a space plan and obtain bids for the buildout cost. The proposed cost is as follows:

Lease Terms:

Lease Size: 10,000 +/- SF
Rate: $14 per sq. /ft. (Full Service Lease). 3% Annual escalation
Term: 60 Months. Option to renew annually after year 5.
Termination Option: 90 days from notice, unamortized cost of TI over 60 months if notice made by LSST.
Buildout Cost: Not to exceed $150,000. Paid by CSCF.

Cost Breakdown:

	Current Lease @ 9,860 sq./ft.	Proposed Lease @ 10,000 sq./ft.	Annual Savings
Annual Rent	$ 146,421	$ 140,000	
Utilities, Repairs, Maint, Etc.	$ 42,190		
Total Cost	$ 188,611	$ 140,000	$ 48,611
5 Year Savings - Approx.			**$ 243,055**

Osceola County Office – CareerSource Central Florida's Osceola office is set to expire on December 31, 2019. This location presents multiple challenges and no longer fits the needs of CSCF. One main reason is its large footprint of 30,625 sq./ft. CareerSource Central Florida has an opportunity to partner with Valencia College and relocate into their new Osceola campus that is currently under construction and scheduled to open in the fall of 2019. The proposed cost is as follows:

Lease Terms:

Lease Size: 12,000 +/- SF
Rate: $15 per sq./ft. (Full Service Lease)
Term: 60 Months. Two additional 5-year terms available.
Termination Option: 10 months from notice.
Buildout Cost: Turnkey. At no cost to CSCF

Cost Breakdown:

	Current Lease @ 30,625 sq./ft.	Proposed Lease @ 12,000 sq./ft.	Annual Savings
Annual Rent	$ 265,824	$ 180,000	
CAM	$ 59,712	$ 88,320	
RE Tax	$ 28,788	$ -	
Utilities, Repairs, Maint, Etc.	$ 141,500		
Total Cost	$ 495,824	$ 268,320	$ 227,504
5 Year Savings - Approx.			**$ 1,137,520**

Action Item:

Staff is requesting the Finance Committee to make a recommendation to the Executive Committee of the Board to move forward and enter into final negotiations with Lake Sumter State College and Valencia College. The terms of the lease will be within the parameters of the financial analysis provided in this memo, and legal counsel will review the final lease prior to final execution.

CareerSource CENTRAL FLORIDA

Proposed Dates

Finance Committee Meeting Schedule

PY: 2018-2019

- September 20, 2018 (Thu) – 2:30 pm to 4:00 pm (Joint with Audit Committee)
- November 29, 2018 (Thu) – 2:30 pm to 4:00 pm (Joint with Audit Committee)
- January 31, 2019 (Thu) – 2:30 pm to 4:00 pm
- April 18, 2019 (Thu) – 2:30 pm to 4:00 pm
- May 23, 2019 (Thu) – 2:00 pm to 4:00 pm (Budget Workshop with Career Services Committee)
- June 6, 2019 (Thu) – 2:30 pm to 4:00 pm