

Minutes Prepared by: Ebony Morgan
 SFWIB Finance & Efficiency Council Meeting
 February 16, 2023, 8:30am
Status: APPROVED
Approval date: 04/20/2023
 Page 1 of 5

No further comments or suggestions were submitted from the members. Item closed.

3. Information - Financial Report

Vice-Chairman Roth introduced the item; Ms. Bennett presented unaudited financials from July 1, 2022 through December 31, 2022.

Budget Variances

Ms. Bennett advised that expenses were running low across the board. We continue to be conservative with spending. Budget variances include:

- Headquarters – 38.6%
- Adult Services – 29.8%
- Youth Services - 37.8%
- Facilities - 32.7%
- Other Programs & Projects – 22.1%

No further comments or suggestions were submitted from the members. Item closed.

4. Information - Bank Reconciliation

Vice-Chairman Roth introduced the item; Ms. Bennett continued the presentation to discuss the bank reconciliation for December 2022.

No further comments or suggestions were submitted from the members. Item closed.

5. Information – Fiscal Auditor RFQ Update

Vice-Chairman Roth introduced the item; Mr. Beasley provided an update on the status of the RFQ, which was issued on February 7, 2023.

The Offeror's Conference is scheduled for February 17, 2023, and the proposal submission deadline is 17 March 2023. The Finance and Efficiency Council will conduct the Technical Proposal Response Review at the April 20, 2023 board meeting. During the meeting on June 15, 2023, formal presentations will be made to the FEC, and subsequently, a recommendation will be made to the Board for final approval of the Council's chosen organization.

Mr. Beasley and Ms. Bennett described the scoring process and the materials that will be distributed to the FEC for this purpose.

Vice-Chairman Roth inquired about the contract's duration and whether Brunson Associates will be permitted to reapply. Mr. Beasley stated that the duration of the contract is one year, with the possibility of renewal for two to three years. Mr. Brunson explained that, historically, the outgoing auditor would be "termed out"; however, a recent change with the State now allows them to participate in the bidding process again.

6. Information – Activity Report – Fiscal Monitoring Activity Reports

Vice-Chairman Roth introduced the item; Ms. Bennett further presented the OCI Fiscal Monitoring Activity Report for the period of December 1, 2022 – January 31, 2023.

Ms. Bennett advised that two organizations were included in the OIC Fiscal Monitoring Report: Adults Mankind Organization (AMOR) and the School Board of Miami-Dade County, Florida (MDCPS).

All findings are available for review in the February 16, 2023 SFWIB Finance and Efficiency Council meeting agenda.

Mr. Gibson asked about the observation noted for the Summer Youth Internship Program with MDCPS. Mr. Beasley clarified that there is no disallowances for this observation; the monitoring ensures that those enrolled in the program take the legally mandated breaks. He explained further that a corrective action plan and new timesheet software were acquired to ensure compliance moving forward.

No further comments or suggestions were submitted from the members. Item closed.

7. Approval - Acceptance of Workforce System Funding

Vice-Chairman Roth introduced the item; Ms. Bennett further presented.

Mr. Beasley advised that the SNAP amount provided by the State was not the full amount, it the State releases in quarterly increments.

Mr. Gibson inquired as to whether the organization will be subject to any additional requirements that may impose an additional burden. Mr. Beasley reported that the amount has been budgeted, so no further modifications are required. He also advised that the allocation is based on our burn rate and caseload. In recent years, welfare transition has decreased while the demand for food stamps has increased.

Motion by Mr. Gibson to accept the allocated workforce system funding.

Ms. Bridges seconded the motion; **item is passed without dissent.**

No further comments or suggestions were submitted from the members. Item closed.

[FEC member, Mr. Kenneth Scott arrived]

8. Approval – Fiscal Year 2021-2022 Audit Approval

Vice-Chairman Roth introduced the item; Mr. Brunson, of Anthony Brunson, P.A. further presented.

Vice-Chairman Roth inquired about the possibility of postponing the presentation until the following meeting of the entire board, rather than sitting through it twice. Mr. Beasley explained that while the Board will vote on the item, it is the responsibility of the Finance and Efficiency Committee to assess and approve the report.

Mr. Brunson provided an overview of the report. He commended the Finance team, as there were no findings on the financial reporting or in respect to any compliance issues. The implementation of GASB 87, which introduced new accounting standards for government leases, was cited as one of the most significant events of the previous year. Under GASB 87, there is a singular model approach, which eliminates the distinction between operating and capital leases. GASB 87 stipulates that all agreements meeting the definition of a lease must now be classified as finance leases, which will be recorded on the balance sheet as a "Right to Lease." The preponderance of lease obligations will now be reflected on the balance sheet as liabilities and assets. A portion of lease payments will reduce the lease liability, while the remainder will flow through the statement of activities as interest expense.

The audit report and presentation is available for review in the February 16, 2023 SFWIB Finance and Efficiency Council meeting agenda.

Mr. Gibson inquired as to whether or not the interest associated with capitalization decreases as the lease expires. According to Mr. Brunson, the CSSF employs an imputed interest rate of 6%, which is not set by the government, but determined by each organization. (Page 22, footnote of the Financial Statement).

Mr. Brunson reminded the Committee that this is the first year of full implementation for GASB, as such, the impact is still not known.

Motion by Mr. Bridges to approve the FY 2021-2022 audit report.

Mr. Gibson seconded the motion; **item is passed without dissent.**



Mr. Gibson congratulated the staff for their hard work and diligence in maintaining the Board's finances. He expressed concern regarding the new regulations. Mr. Beasley understood his concern, but he is not excessively concerned about the financial flow because we do not spend more than we have. In addition, Mr. Beasley advised that the employees should be commended, as they were relatively new to the team at the outset of the auditing process and have performed exceptionally well.

No further comments or suggestions were submitted from the members. Item closed.

There being no further business to come before the Council, meeting adjourned.