

**Workforce Development Board
Executive, Finance and Audit Committee
and RochesterWorks, Inc. Board of Directors
Meeting Minutes
Tuesday, December 2, 2025
8:00AM - 9:00AM
Meeting Scheduled via Zoom**

Committee Members Present: Ana Liss, Bert Brinkerhoff, Glen Jeter, Melissa Suchodolski, Sergio Esteban, Dr. Shirley Green

Committee Members Absent: David Scott, Mary Beth Artuso

RochesterWorks, Inc. Board Present: Ana Liss, Bert Brinkerhoff, Glen Jeter, Melissa Suchodolski, Sergio Esteban, Dr. Shirley Green

RochesterWorks, Inc. Board Absent: David Scott, Mary Beth Artuso

Staff and Guests: David Seeley, Jeanine Frenz, Mary McKeown
Joe Peplin; Bonadio & Co., LLP, Ryan Harris; Bonadio & Co., LLP

WORKFORCE DEVELOPMENT BOARD EXECUTIVE, FINANCE AND AUDIT COMMITTEE

Call to Order:

The Executive, Finance and Audit Committee Meeting was called to order by Melissa Suchodolski at 8:01 A.M.

Approval of Minutes:

A motion to approve the September 9, 2025 Meeting Minutes was made by Glen Jeter and seconded by Sergio Esteban. The motion was passed unanimously.

Melissa Suchodolski welcomed Joe Peplin and Ryan Harris from Bonadio & Co., LLP.

Audit Committee:

Report to the Finance and Audit Committee, 2025 Audit Results:

Joe Peplin provided a brief presentation highlighting the results of the audit, covering both the Executive Summary and the Audit Results.

Executive Summary

Status of our Audit

- Substantially completed our audit.

Internal Control Findings

- No material weaknesses in internal control were identified.

Accounting Policies and New Accounting Standards

- There were no changes in the Organization's accounting policies and there were no new accounting standards adopted.

Summary

- There were no significant changes to our audit plan as previously communicated to the Audit Committee.
- There were no independence matters that occurred or were identified since our last meeting.
- There were no compliance findings during the Uniform Guidance Single Audit of federal funds (pending finalization of Compliance Supplement).

Identified Misstatements, Recorded and Unrecorded

- Uncorrected misstatement: No uncorrected misstatements identified.
- Adjustments proposed by Bonadio and recorded by management: There was one audit adjustment recorded for \$486K to accounts receivable and accrued expenses relating to a contract where the sub-contracted organization has performed services that have yet to be funded to the Organization by NYS. There was no impact on change in net assets, and therefore this was not considered to be a material misstatement.

Our Continued Commitment

- Proactively advise management on new accounting pronouncements.
- Execute audit procedures timely.
- Utilize secure technology, MyPortal, for document transmission.

Audit Results

Status of our Audit

Remaining Items to Complete

We are in the process of completing the audit procedures. The key remaining items to complete are:

- Approval of financial statements by the Organization.
- Bonadio quality control process.
- Minor completion of audit documentation.
- Receipt of signed management representation letter.
- Final issuance of Uniform Guidance Compliance Supplement.

Audit Risks and Results

Fraud and Significant Risks

Three Fraud Risks were identified.

- Management override of controls.
- Fraud in revenue recognition.
- Grant and similar programs-single audit.

There were no exceptions noted for any audit risk factors.

Other Matters of Emphasis

- There are no other matters of emphasis to communicate.

Particularly Sensitive Accounting Estimates

Description of Estimate / Significant Assumptions

- Lease right of use assets and liabilities / Discount rates associated with calculating present value.

- Functional expense allocations / Salary and related expenses are allocated based on time and effort. Other allocable costs, including contract services, are allocated based on the consumption of these services utilizing personnel allocation percentages.
- Depreciation expense / Useful lives. Depreciation methodology.

Internal Control Related Matters

- We did not identify any deficiencies in internal control that we consider to be a material weakness.

Joe provided definitions for three categories of deficiencies:

1. **Materials Weakness:** A deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.
2. **Significant Deficiency:** A deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the company's financial reporting.
3. **Control Deficiency:** This is a best practice recommendation that is not required to be communicated to the committee level at all.

Other Required Communications

Independence

- There were no matters identified that would impair our independence from the Organization.

Material Uncertainties Related to Events and Conditions (Specifically Going Concern)

- There were no conditions or events that we identified indicating there is substantial doubt about the Organization's ability to continue as a going concern.

Disagreements With Management

- There were no disagreements with management.

Consultation With Other Accountants

- We are not aware of any consultations management has had with other accountants about significant accounting or auditing matters.

Difficulties Encountered During the Audit

- There were no significant difficulties encountered during the audit.

Other Material Written Communications

- We will obtain a copy of the management representation letter.

Significant Unusual Transactions

- There were no significant unusual transactions, other than previously mentioned, that are outside the normal course of business for the Organization (or that otherwise appear to be unusual due to their timing, size, or nature) during the current year.

Fraud

- We did not identify any potential or known fraud.

Illegal Acts

- We did not identify any potential or known illegal acts.

Non-compliance with Laws and Regulations

- We did not identify any instances of non-compliance with laws and regulations.

Alternative Accounting Treatments

- We did not identify any alternative treatments permissible under US GAAP for accounting policies and practices related to material items, including recognition, measurement, and presentation and disclosure.

Other Information in Documents Containing Audited/Reviewed Financial Statements

- We did not identify any information that was materially inconsistent with the information in the financial statements.

Joe thanked management for all their efforts and noted this was a clean list of matters to discuss here, which means that everything went very well. He appreciates all the efforts of Jeanine, Behiye, Nathan, and Dave, noting that it is a big effort to have a successful audit. Bonadio really does appreciate all the time and effort that management spends to assist them, to make sure that they have an effective and efficient audit.

Quality of Financial Reporting

- We have performed an evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with the applicable financial reporting framework, including our consideration of the form, arrangement and content of the financial statements (including the accompanying notes). We did not identify any instances of non-conformity.

We have evaluated whether the difference between estimates best supported by the audit evidence and estimates included in the financial statements, which are individually reasonable, indicate a possible bias on the part of the Organization's management. We did not identify any areas of possible bias. In our judgment, management's accounting estimates are appropriate and reasonable.

Related Parties

- We noted no related parties or related-party relationships or transactions that were previously undisclosed to us or lack business purpose.

Other Matters

- There were no matters arising from the audit that are significant to the oversight of the Organization's financial reporting process.

Executive Session

At this time, Melissa Suchodolski requested a brief Executive Session to discuss any private matters with Committee Members only.

At the conclusion of the Executive Session, all attendees were readmitted to the meeting.

A motion to advance the report of the 2025 Audit Results to the Full Board Meeting on December 16th was made by Dr. Shirley Green and seconded by Ana Liss. The motion was passed unanimously.

Finance Committee:

Review of Program Year 2025, Quarter 1 Financials:

Jeanine Frenz noted that our annual audit with the NYSDOL for PY 24 began on September 29th and concluded with an exit conference on November 5th. There were no findings.

The following Financials were provided covering the Summary of Expenses July 2025 - September 2025.

Financials:

Revenue:

- WIOA: This quarter, we received \$1.38M in WIOA funding (44% Adult, 13% DW, and 30% Youth). This includes \$61K in incentive funding earned from meeting prior program year goals.
- SCION: Funding for the Disability Resource Coordinators is on budget.
- SYEP: Summer 2025 funding is on track, and the remaining revenue will be recognized next quarter.
- EDA-Recompete: This grant runs through January 2026 and is currently on budget.
- Monroe County and Private Foundation Revenue: Both are on budget. Foundation Revenue received this quarter is from ESL for the School to Work Navigator program and the Employment Recovery Services program.
- Miscellaneous Revenue: This is mostly Finger Lakes Performing Provider System, and there is some additional revenue in the form of interest income.
- COMIDA: Our contract with COMIDA began in August; we will see revenue for this program in the next quarter.
- Empire State Development: Billing is semi-annual. The second voucher (submitted in August) was paid last month, and a third voucher will be submitted this month.
- In School Youth/ROC Your Job: We are off to a great start and will have no problem meeting the \$2.85M budget for this year.

Program Expenses

Direct Expenses:

- Individual Training Accounts (ITAs) are over budget due to the payment to YAMTEP for the second round of expenditures (\$179K).
- Wage Subsidies: Wage subsidies are \$1.66M; the majority of this (\$1.39M) is from SYEP.
- Client Services are at about 40% of our budget, driven mostly by SYEP activity.

Service Provider Payments:

- Overall, Service Provider Payments are on budget.

The majority of Marketing Expenses are related to Youth.

Operational Expenses:

- All Operational Expenses are on budget except for Office Operations; this is over budget because of the timing of the payment for the CRM software.

A motion to approve the Review of Program Year 2025, Quarter 1 Financials as presented was made by Ana Liss and seconded by Bert Brinkerhoff. The motion was passed unanimously.

Executive Committee:

Directors Updates:

Requests For Proposals:

We currently have 3 RFPs that are out right now, including:

- ROC Your Job - RochesterWorks seeks proposals from qualified organizations in the Greater Rochester (NY) area to provide after-school and weekend work experience programming for youth who are enrolled in a middle or high school or a TASC/GED exam preparation program.
- Legal Services - It has been 3.5 years since we last sent an RFP out for legal services, which we procured Harter Secrest & Emery LLP. This RFP invites qualified law firms to submit proposals to provide general

legal services. The selected firm will work closely with RWI's Executive Director, Director of Finance & Administration, Director of Workforce System Performance, and members of the Board of Directors.

- Renewable Energy Training Initiative (RETI) - RochesterWorks invites proposals from qualified training providers to deliver occupational skills training programs under the New York State Department of Labor's (NYSDOL) Renewable Energy Training Initiative (RETI), administered through the Office of Just Energy Transition (OJET). This RFP seeks to contract with eligible providers of training services to support the training of multiple individuals in the clean/renewable energy sector in general and more specifically, to provide training in pre-weatherization activities, as defined in Section IV.

New Career Center Update:

We are moving along, with the design phase nearing completion. We have been working closely with the County's architect company and have also tried to incorporate our staff into the design process. The Department of Labor Career Center will not be fully relocating to the new facility due to not having enough space. There is no start date yet for breaking ground. The goal is to have a final design ready in December.

ON-RAMP:

We have continued to work with MCC and their consultant on this initiative. The \$40M proposal is due to the State at the end of this month.

RW Operations:

We are in the last few days of our open enrollment for healthcare. Healthcare premiums have risen by about 20%, making it harder to absorb the increases as we had in prior years, when the increases were closer to 10%. Because of this, some costs must now be passed on to employees. To help offset the impact, the company continues to heavily invest in the high-deductible plan by offering unusually high employer HSA contributions and maintaining multiple plan options, even though the Platinum plan has become too costly to subsidize at prior levels. Dave remarked that, despite rising costs, our benefits still compare favorably to the broader sector.

Separately, the company plans its usual mid-year compensation adjustments at (calendar) year-end. The base increase will be 3.5%, with additional merit-based raises funded within an overall 4% budget. The company plans to provide a larger base increase for our lower-tier wage employees to ensure healthcare costs do not erode their pay gains.

Upcoming Legislative Briefing:

RochesterWorks will be hosting a Workforce Development Legislative Briefing on December 15th. Join us for an update on the local workforce development system, including several key initiatives supported by State and Federal Government.

Adjournment:

Melissa Suchodolski adjourned the meeting at 9:00 A.M.

Approved



David Seeley

6/2/26

Date

Submitted by Mary McKeown

Workforce Investment Board Executive Committee Meeting and
RochesterWorks, Inc. Board of Directors Meeting Minutes

Approved:

David Seeley: 12-22-25

Jeanine Frenz: 12-24-25