



December 13, 2017 - 11:45 AM
 13805 58th Street N. Clearwater, FL, 33760
 Conference Dial: 1-800-501-8979
 Conference Code: 268-7509#

Board of Directors Agenda

- I. **Welcome and Introductions**.....Aundre Green, Chair
- II. **Chair’s Report**.....Aundre Green
- III. **Action/Discussion Items**
 - 1. Approval of Minutes September 27, 2017.....Page 2
- IV. **Other Administrative Matters**
(Items of urgency not meeting the seven-day guideline for review)
- V. **Information Items**
 - 1. Consent Agenda of November 1st, 2017..... Page 5
 - 2. Consent Agenda of December 6th ,2017 Page 10
- VI. **Committee Reports**
 - 1. Audit Committee.....Dr. Robert Arnold (Edward Peachey)
 - 2. Finance Committee..... Dr. Robert Arnold (Edward Peachey)
 - 3. Compensation Committee..... Michael Mikurak (Alice Cobb)
 - 4. One-Stop Consortium Tom Bedwell (Don Shepherd)
 - 5. Workforce Solutions CommitteeJack Geller (Haley Loewn)
 - 6. Science Center Committee Lenné Nicklaus (Edward Peachey)
- VII. **President’s Report**.....Edward Peachey
- VIII. **Public Comments**
- IX. **Adjournment**

Next Finance Committee Meeting	January 30, 2018
Next Executive Committee Meeting	February 7, 2018
Next Workforce Solutions Committee Meeting	February 13, 2018
Next One-Stop Committee Meeting	February 22, 2018
Next Science Center Meeting	February 23, 2018
Next Board of Directors Meeting	March 21, 2018 (Great Bay)



CareerSource Pinellas Board of Directors minutes

Date: September 27, 2017 11:45 a.m.
Location: EpiCenter: 13805 58th Street N. Clearwater, FL 33760

Call to Order

Chair Aundre Green called the Board of Directors meeting to order at 11:47 a.m. There was a quorum present with the following board members participating.

Board Members in attendance

Dr. Robert Arnold (phone), Tom Bedwell, Lounell Britt, Scott Callison, Sondra Cranford (phone), David Fries (phone), Jack Geller, Aundre Green, Bill Griffiths (phone), Sharon Hayes, Carolyn King (phone), Samuel Kolapo (phone); Karla Leavelle (phone); Russell Leggette, Kim Marston, Mike Meidel, Mike Mikurak, Lenne Nicklaus-Ball, Debbie Passerini (phone), Bill Price, Paul Toomey (phone), Marlene Velez (phone)

Board Members not in attendance

Kyle Barr, Celeste Fernandez, David Fetkenher, Michael Grego, Sandy Ho, John Howell, Jack Jarrell, Debra Johnson, Kelly Kirshner, Steve Kornell, Mark Van Dame, Commissioner Ken Welch; Dr. Tonjua Williams.

Guests

Andrea Henning, Kelly Ruoff, Margie McGranahan

Staff in attendance

Edward Peachey, Kristin Dailey, Alice Cobb, Haley Loeun, Don Shepherd, Jennifer Brackney, Michelle Schultz, Joseph Calhoun, Howard Nguyen, Luna Jean-Pierre

Acknowledgements

- Chair Aundre Green presented Duke Energy with a plaque, in recognition of their generous donations to the Science Center. Mr. Jeff Baker accepted on behalf of the company.

Action/Discussion Items

Action Item 1 – Approval of Minutes

The minutes of the June 21, 2017 Board of Directors meeting were presented for approval.

Motion: Jack Geller

Second: Tom Bedwell

The minutes were approved as presented. The motion carried.

Action Item 2- Capacity Building

The Science Center of Pinellas County is the oldest science educational facility of its kind in the U.S. With an observatory and planetarium, it has provided hands-on learning opportunities for K-12 students for the last 60 years. In 2014, WorkNet Pinellas dba Science Center, a not-for profit organization, agreed to step in and help perpetuate the mission of the Science Center in Pinellas County. We accepted that challenge and have made many strides forward. To continue to thrive and meet the challenges and opportunities ahead, it is important to have a more focused strategic plan. WorkNet Pinellas, Inc. dba Science Center received an award of \$14,250 to build capacity of the Science Center. The purpose is to support the Science Center in its goal to be a mission-driven organization working efficiently to address education and employment that helps individuals develop the skills necessary for future career success. The project includes four phases:

DISCOVERY	Gather pertinent information regarding current structure, committee member participation, committee member feedback, staffing, mission, vision, budget, resources and donor participation.	9/22/17
DESIGN	Review the information collected and begin the process of formulating a plan.	10/20/17
PLANNING	Develop a strategic and fundraising plan.	11/17/17
EVALUATION	Review information, data and provide a progress report.	12/4/17

Through this initiative, we will develop the framework for which we can build the future of the Science Center.

Motion: Jack Geller

Second: Mike Mikurak

The Board of Directors approved to move forward with the capacity building project.

Other Administrative Matters

None were presented.

Guest Presentation

Mr. James Finch, from the Department of Economic Opportunity (DEO) gave an overview of CareerSource Pinellas’ performance for last program year 2016-2017.

Information Items

Consent Agendas

The consent agendas of the August 2nd and September 6th, 2017 Executive Committee meetings were presented. President Peachey opened the floor for questions. There was no further discussion.

Committee Reports

Audit Committee Report : The fieldwork for the 6/30/17 year-end audit has begun and is currently underway. Outcome will be shared once it is concluded.

Finance Committee Report : The last Finance meeting was cancelled. The next meeting is scheduled for October 24th at 9:00am via conference call.

Compensation Committee report: The Compensation Committee met on August 29, 2017 to discuss the newly drafted safety manual and the renewal of our benefits carrier. Both of these action items were included in the consent agenda which was passed by the board. Since our meeting and the approval of the consent agenda, staff have been in communication with our benefits consultant, Arthur Gallagher, to lock in this 8% overall rate increase proposed by Cigna. We have also been successful in getting Cigna to smoothing out the increase among all the 4 levels of coverage which has resulted in lowering the increase for the high deductible coverage. We still remain under 8% overall. Staff are also beginning to plan the benefit open enrollment process to begin in mid-October. They are considering doing this on-line but have to check out any challenges with the ADP – Cigna interface before making that determination. We are heavily involved with staffing the disaster food stamp program being operated by DCF. This program is for individuals affected by Hurricane Irma and allows them to apply for emergency food stamps. Between 300 and 500 temporary staff will be hired by CareerSource to work for 1-3 weeks under DCF’s supervision in Pinellas and Hillsborough counties. These temp employees are required to have a clear Level II background check as well.

Science Center Committee Report The Science Center Committee last met on Friday, September 22nd. Some highlights for this recent meeting are: **Summer Youth Camps**: Camp for Summer of 2017 ended officially on August 9th. A total of 662 youth attended or attended a Science Center Summer camp. This year’s attendance is a 225% increase over last year’s 294 youth served. **STEMe Activities thru Year End and start of PY17-18**: Last year, StemE classes rose to a total of 274 classes with a total of 4661 students visiting the Science Center. Already for PY 17-18, there have been a total of 109 classes booked and close to 2,152 students scheduled to take a field trip to the Science Center. **The Manufacturing**

Skills Development Grant Award, our \$2 million grant award, closed out in July and August with additional placements reported: The grant from Florida DEO provided pre-vocational manufacturing skills training and/or paid work experience and targeted to serve 350 individuals.

To date, we have served: 529 participants have been enrolled (151% of goal); 430 participants completed training thru the program year 2016-2017 (81.2% completion rate); 372 participants have been placed into employment average wage of \$12.76 (186% of goal) **A grant award was received from the state called the Robotics Skills Development Grant Award running July 2017 thru June 2018.**

CareerSource Pinellas was awarded \$400,000 from a state Earmark grant to provide Career Ready manufacturing skills development training and/or paid work experience to serve 100 adults and 50 youth from July 1, 2017 - June 30, 2018. The grant requires us to serve 48 adults in Robotics/Mechatronics, 50 youth and 20 OJT. Career Ready Training programs include: Robotics/Mechatronics; Soldering and Cabling; OJT. The 50 youth will receive services through Summer, Winter, and Spring STEM camps. **The next Science Center Meeting is scheduled for this coming November 17th at 11 am.**

One Stop Committee Report: The One Stop Committee met on August 24th at the EpiCenter. Two action items were presented to the committee. First was review and approval of the minutes. Second was the presentation and approval of the One Stop Committee's Strategic goals for program year 2017-2018 available in your packet. **Next, the One Stop Committee goals and year end program outcomes were presented for the program year 2016-2017:** Some highlight of Center Traffic and Program Services for last year and ending Monthly Management reporting are: 117,600 job seeker visits occurred last year up 3.7% from the previous year during a year of very low unemployment. 4,700 customers were served under the WIOA program with 3,049 new enrollments during last year and over 2970 entering employment for #1 ranking in 4 measures. 4,600 families were served under the WTP program assisting with reemployment and training services with 45.7% leaving the welfare rolls with employment for a #1 ranking for the year. Over 1600, non-custodial parents enrolled in the NCPEP or Non-Custodial Parent Employment and Training program with over 950 reporting employment and over 750 making successful child support payments. Over 4,500 SNAP participants enrolled into employment and training services with 11.7% entering employment for #1 ranking for the year. Performance starting in PY2017-2018 Starting the New program Year strong, DEO's Monthly Management report shows Pinellas with 12 #1 ranking and 26 top quartile out of the 30 non-agricultural measures. In the Governor's RA Challenge under Reemployment Assistance. Pinellas is currently ranked #1 in the RA Engagement rate and 3rd in the RA Placement rate. This challenge will pay out \$1 million in incentives in late Fall 2017. The next One Stop meeting is scheduled for this coming **November 16th at 9:00 am** at the EpiCenter

Workforce Solutions Committee Report: The Workforce Solutions Committee meeting was held on August 15th. The Daily Governors Job report ranks each of the 24 local workforce boards based on job placement every month. CareerSource Pinellas has consistently ranked in the top 5 statewide. We are off to a great start this new program year ranking #1 in the state for the month of July. We ended another great program year with our On the Job Training and Paid Work Experience Programs. The OJT program funded 80 companies that hired 377 new workers and the Paid Work Experience program funded 43 companies that hired 162 young adults. Last program year, the Business Services Dept. assisted 65 employers by coordinating over 190 specialized recruitment events. These efforts have resulted in over 2,200 hires. We have two upcoming events: Our next annual job fair will be held on November 8th at the EpiCenter. The first hour of the job fair will be dedicated to our Veteran candidates to provide them the first opportunity to meet with the participating employers. We are expecting 20-25 employers to attend. CareerSource Pinellas will be partnering with CareerSource Tampa Bay to host our annual internship event on October 11th at the North Florida Avenue Center. We anticipate 30-40 employers and over 400 students to be in attendance. If you are interested in participating in any of these events, please see Haley for more information. Our next Workforce Solutions meeting will be held on Nov 21st.

President's report

Mr. Edward Peachey gave a presentation of the program year in review 2016-2017.

Public Comments

None was made.

Adjournment

Chair Aundre Green adjourned the meeting at approximately 12:39 p.m.

**CareerSource Pinellas
Executive Committee Meeting
Consent Agenda of November 1st, 2017**

Actions Approved At CareerSource Pinellas Executive Committee Meeting

Any Board Member shall have five days from receipt of these minutes within which to request that an action of the Executive Committee be brought before the full Board. If no such request is made, the actions of the Executive Committee shall stand.

Date: November 1st, 2017, 11:00 a.m.

Location: 13805 58th Street North

Call to Order

Chairman Aundre Green called the meeting to order at 11:00am. There was a quorum present with the following Executive Committee members participating.

Committee Members in attendance

Dr. Robert Arnold (phone), Tom Bedwell, Jack Geller, Aundre Green, Sandy Ho, Michael Mikurak, Lenne Nicklaus-Ball, Commissioner Welch (phone), Karla Leavelle, William Price.

Staff Present

Edward Peachey, Haley Loeun, Michelle Schultz, Jennifer Brackney, Luna Jean-Pierre, Howard Nguyen

Guest(s)

Charley Harris

Action Item 1 – Approval of Minutes

The minutes of the September 6, 2017, Executive Committee meeting were presented for approval.

Motion: Jack Geller

Second: Mike Mikurak

The minutes were approved as presented. The motion carried.

Action Item 2 – Budget Modification 2: PY 2017-18 (Attachments 1)

Total budgeted revenue has increased from \$13,953,512 to \$14,696,937 for an overall increase of \$743,425. This is due to the following:

Workforce Investment Act Programs:

Increase in WIOA Adult of \$48,136

Increase in WIOA Youth of \$62,545

Increase in WIOA DW of \$18,324

Employment Services Programs:

Decrease in TAA of \$2,589

Decrease in Wagner Peyser of \$38,799
Increase in Wagner Peyser Performance Incentives of \$439
New award for Wagner Peyser Coop Outreach of \$42,282

Welfare Transition Programs:

Decrease in Welfare Transition of \$32,515

Direct Grants and Special Programs:

Increase in RESEA of \$1,810
Decrease in USDOL Youth build carryforward of \$57
New special program – DCF Food for families \$450,000
Increase in Florida Makes of \$235
New award for AmeriCorps of \$193,614

Motion: Jack Geller
Second: Tom Bedwell

The Executive Committee recommends approval of adjustments to the revenue budgets and resultant modifications to the expenditures budgets. The motion carried.

Action Item 3 – Annual Performance Evaluation Stipend

An annual performance evaluation is completed for each staff on a calendar year basis and is based on the employee’s performance during the entire year. The evaluation procedure in place establishes a cost of living adjustment as the basis for any salary increase or one time performance stipend that may be awarded as a result of the performance evaluation. The Board has established in the past that staff may be provided a cost of living adjustment after taking into consideration the economic conditions in the area and the overall organization budget. The Consumer Price Index (CPI) has been the tool used by the Board for determining these economic conditions. Below is the CPI information from the Bureau of Labor Statistics website for the Tampa Bay area for the last twelve months:

“The Consumer Price Index for All Urban Consumers (CPI-U) in the Tampa-St. Petersburg-Clearwater area rose 2.8 percent from the first half of 2016 to the first half of 2017, the U.S. Bureau of Labor Statistics reported. Regional Commissioner Janet S. Rankin noted that the all items less food and energy index advanced 3.2 percent and the energy index rose 6.5 percent over-the-year.”

For the past three years, after reviewing the CPI and the organization budget, management has recommended, and the Board has approved, a performance stipend payable in one lump sum in lieu of base salary increases.

Motion: Jack Geller
Second: Bill Price

The Executive Committee recommends that in lieu of base salary increases, staff be provided a performance stipend payable in one lump sum following the completion of all annual performance evaluations around mid-December. The range for the one-time stipend would be from 0% to 5% of the employee’s base salary determined by the individual’s overall rating on his/her annual performance evaluation. The motion carried.

Other Administrative Matters
None.

Public Comments
None were made.

Adjournment
The meeting was adjourned at 11:54 AM.

DRAFT

CareerSource Pinellas
Modification #2 to PY 2017-2018 Budget

Attachment 1

BUDGET

Program:	Approved Budget	Modification #2	Modified Budget
WIOA Adult	1,576,353	48,136	1,624,489
WIOA Youth	1,458,073	62,545	1,520,618
WIOA Dislocated Worker	2,823,553	18,324	2,841,877
WIOA Supplemental	214,666	-	214,666
WIOA Community Based Sector Strategies	134,179	-	134,179
WIOA Performance Incentives	196,635	-	196,635
Subtotal Formula-Based Programs	6,403,459	129,005	6,532,464
TAA	255,932	(2,589)	253,343
Subtotal Special Projects	255,932	(2,589)	253,343
Subtotal WIOA	6,659,391	126,416	6,785,807
Wagner Peyser	638,856	(38,799)	600,057
Wagner Peyser Performance Incentives	13,820	439	14,259
Wagner Peyser Coop Outreach	-	42,282	42,282
Veterans Programs	125,000	-	125,000
SNAP	450,000	-	450,000
SNAP ERS	30,700	-	30,700
Unemployment Services	60,000	-	60,000
	-	-	-
Subtotal DEO	1,318,376	3,922	1,322,298
Welfare Transition Program	2,377,549	(32,515)	2,345,034
Welfare Transition-NCPP	1,416,000	-	1,416,000
Subtotal WTP	3,793,549	(32,515)	3,761,034
Pre-Vocational Training	400,000	-	400,000
Re-Employment & Eligibility Assessments	402,678	1,810	404,488
USDOL Youthbuild 2016	636,944	(57)	636,887
DCF - Food for Families	-	450,000	450,000
Florida Makes	366,367	235	366,602
Americorps	-	193,614	193,614
Able Trust - Ability Initiative Grant	109,012	-	109,012
JWB Youth Innovators	67,195	-	67,195
Science Center	200,000	-	200,000
Subtotal Direct Programs	2,182,196	645,602	2,827,798
Total Combined	13,953,512	743,425	14,696,937

CareerSource Pinellas
 CAREERSOURCE PINELLAS BUDGET
 PY 2017 (July 2017-June 2018)

	Workforce Innovation & Opportunity Act Programs	Employment Services Programs	Welfare Transition Programs	Direct Grants and Special Projects	Adjusted CareerSource Pinellas Budget PY 17-18	Modification #2	Prior CareerSource Pinellas Budget PY 17-18
REVENUE							
P.Y. 2017 CONTRACTS CARRYFORWARD	4,924,148 1,608,316	1,482,989 92,652	3,761,034 -	2,719,513 108,285	12,887,684 1,809,253	824,572 (81,147)	12,063,112 1,890,400
TOTAL REVENUE	6,532,464	1,575,641	3,761,034	2,827,798	14,696,937	743,425	13,953,512
EXPENDITURES:							
CAREERSOURCE PINELLAS ADMIN Indirect Cost Rate 7%	457,272	184,456	263,272	197,946	1,102,947	51,717	1,051,230
PROJECTED EXPEND	457,272	184,456	263,272	197,946	1,102,947	51,717	1,051,230
TOTAL ADMIN % FUNDS AVAIL	7.0%	11.7%	7.0%	7.0%	7.5%	0.0%	7.5%
PROGRAM SERVICES:							
SERVICE PROVIDER CONTRACTS:							
Business Services	1,117,218	-	307,478	425,304	1,850,000	-	1,850,000
Resource Room Services	-	-	-	-	-	-	-
Case Management Participant	875,000 1,425,000	485,000 225,000	985,000 340,000	610,000 10,000	2,955,000 2,000,000	25,000 -	2,930,000 2,000,000
Pinellas Education Foundation							
Out of School Staff	215,000	-	35,000	-	250,000	-	250,000
Out of School Participant	250,000	-	35,000	-	285,000	-	285,000
In School Youth Staff	10,000	-	-	-	10,000	-	10,000
In School Youth Participant	15,000	-	-	-	15,000	-	15,000
Junior Achievement	-	-	100,000	-	100,000	-	100,000
Gulf Coast - NCEP	-	-	1,315,000	-	1,315,000	-	1,315,000
SUB TOTAL SERVICE PROVIDER	3,907,218	710,000	3,117,478	1,045,304	8,780,000	25,000	8,755,000
CAREERSOURCE PINELLAS SUPPORT SERVICES:							
INDIRECT COST RATE 3%	195,974	79,053	112,831	84,834	472,692	22,165	450,527
PROGRAM STAFF DIRECT	110,000	-	-	800,000	910,000	325,000	585,000
DEO STAFF TRAVEL	-	10,000	-	-	10,000	-	10,000
ONE STOP CENTER OPERATING	280,857	150,161	122,039	96,943	650,000	50,000	600,000
MIS/TECHNOLOGY	140,429	100,080	61,020	48,471	350,000	-	350,000
COMMUNITY OUTREACH	10,701	241,038	5,085	7,574	264,398	35,014	229,384
EMPLOYMENT SERVICES	-	-	-	-	-	-	-
EMPLOYED WORKER TRAINING	400,000	-	-	-	400,000	-	400,000
SUBSIDIZED EMPLOYMENT	825,000	-	50,000	60,000	935,000	(25,000)	960,000
TRAINING INCENTIVES/TRAINING	100,000	20,000	-	250,000	370,000	100,000	270,000
STAFF INVENTIVES	-	-	-	75,000	75,000	-	-
ONE STOP STAFF TRAINING	14,043	5,008	6,102	4,847	30,000	-	30,000
SUB TOTAL CAREERSOURCE PINELLAS SUPP SVCS	2,077,004	605,340	357,077	1,427,669	4,467,090	582,179	3,884,911
TOTAL DIRECT CLIENT	5,984,222	1,315,340	3,474,555	2,472,973	13,247,090	607,179	12,639,911
EXCESS	90,970	75,845	23,207	156,879	346,900	84,529	262,371
SUMMARY							
TOTAL AVAILABLE	6,532,464	1,575,641	3,761,034	2,827,798	14,696,937	743,425	13,953,512
TOTAL DIRECT CLIENT	5,984,222	1,315,340	3,474,555	2,472,973	13,247,090	607,179	12,639,911
TOTAL ADMINISTRATIVE	457,272	184,456	263,272	197,946	1,102,947	51,717	1,051,230
TOTAL BUDGETED COST	6,441,494	1,499,796	3,737,827	2,670,919	14,350,037	658,896	13,691,141
EXCESS/(DEFICENCY)	90,970	75,845	23,207	156,879	346,900	84,529	262,371

**CareerSource Pinellas
Executive Committee Meeting
Consent Agenda of December 6, 2017**

Actions Approved At CareerSource Pinellas Executive Committee Meeting

Any Board Member shall have five days from receipt of these minutes within which to request that an action of the Executive Committee be brought before the full Board. If no such request is made, the actions of the Executive Committee shall stand.

Date: December 6, 2017, 11:00 a.m.

Location: 13805 58th Street North

Call to Order

Chairman Aundre Green called the meeting to order at 11:00am. There was a quorum present with the following Executive Committee members participating.

Committee Members in attendance

Tom Bedwell, Jack Geller, Aundre Green, Sandy Ho, Michael Mikurak, Commissioner Welch (phone), Karla Leavelle.

Committee members absent

Dr. Robert Arnold, Lenne Nicklaus, William Price.

Staff Present

Edward Peachey, Haley Loeun, Alice Cobb, Don Shepherd, Jennifer Brackney, Luna Clarke, Howard Nguyen.

Guest(s)

Kelly Ruoff (Trenam), Mark Puente (Tampa Bay Times), John Brethauer (ProVise- phone)

Action Item 1 – Approval of Minutes

The minutes of the November 1st, 2017, Executive Committee meeting were presented for approval.

Motion: Jack Geller

Second: Tom Bedwell

The minutes were approved as presented. The motion carried.

Action Item 2 – Request for proposals: Insurance Broker

CareerSource Pinellas has used the same insurance broker since 2011. This insurance coverage includes employer's liability, comprehensive general liability, directors and officer's liability, and property (computers, furniture, etc.) insurance.

Staff will develop Requests for Proposals to solicit bids from interested Organizations. Once proposals are received, a selection committee comprised of staff will meet to review and recommend which proposal to accept.

Motion: Jack Geller
Second: Sandy Ho

The Executive Committee recommends approval of the development and issuance of an RFP for insurance. The motion carried.

Action Item 3 – Annual Financial Audit for the FY Ended 06/30/17 (Attachment 1)

The audit firm of Powell & Jones, CPAs has completed the annual financial audit of the accounting records and systems of WorkNet Pinellas, Inc. for the fiscal year ended June 30, 2017. Enclosed is a copy of the audit report. Representatives from the firm presented the results to the Audit Committee.

Motion: Commissioner Welch
Second: Jack Geller

The Executive Committee recommends approval of the Annual Financial Audit for the fiscal year ended June 30, 2017. The motion carried.

Action Item 4 – Program Year 2017 – 2018 Budget Modification No. 3 (Attachment 2)

Total budgeted revenue has increased from \$14,696,937 to \$15,425,653 for an overall increase of \$728,716. This is due to the following:

Workforce Investment Act Programs:

New award – Sector Strategies Career Ready for \$140,000

New award – Sector Strategies IT Training for \$180,000

New award – Sector Strategies Construction for \$60,000

New award – Governor’s Challenge for \$100,000

Employment Services Programs:

Increase in SNAP of \$66,706

Decrease in Unemployment Services of \$3,990

Welfare Transition Programs:

Increase in Welfare Transition of \$1,000

Direct Grants and Special Programs:

Increase in DCF Food for families \$185,000.

Motion: Jack Geller
Second: Michael Mikurak

The Executive Committee recommends approval of adjustments to the revenue budgets and resultant modifications to the expenditures budgets. The motion carried.

Action Item 5 – Approval of Training Vendor- Tampa Truck Driving School (ID# 5380)

Tampa Truck Driving School has a license from the Commission for Independent Education (#5380). Staff conducted a site visit on October 31, 2017. Tampa Truck Driving School, Inc. will start reporting to FETPIP this year. Tampa Truck Driving School, Inc. agrees to report student data to FETPIP in a timely manner.

Courses/Certificate/Diploma Programs

Program – Course # - Type of Degree or Certificate	Books & Supplies	Tuition	Fees	Total Cost	Duration Of Training	Completion Rate	Average Wage At Placement
Class A CDL Training	n/a	\$5,000	\$200	\$5,200	165 clock hours/ 3 weeks	82.35%	\$15.00 per hour

- School Opened: 7/21/2015
- Entered Employment Rate: 86%
- Retention Rate: 86%
- Total enrollments for prior year: 900
- Total Cost, Completion Rates and Average Wage at Placement for the program are comparable to other schools that offer the same type of training.
- Currently there are two approved training vendors for LWDB 14 that offer truck driving training.

NOTE: In accordance with CareerSource Florida Administrative Policy #90 – WIOA Eligible Training Provider List when the training provider has met the established criteria LWDB are required to approve the training provider..

Motion: Michael Mikurak
 Second: Jack Geller

The Executive Committee recommends approval of Tampa Truck Driving School as an approved training vendor for LWDB 14. The motion carried.

Action Item 6 – Request for Qualifications (RFQ) Issuance: 2018 Business Associations

Each year CareerSource Pinellas issues a Business Associations RFQ. This provides a foundation for establishing a working relationship with local Chambers of Commerce and various industry-specific business associations. The RFQ submissions will include a plan that outlines the expectations related to the ongoing promotion of CareerSource Pinellas’ programs and services to local employers.

Motion: Tom Bedwell
 Second: Karla Leavelle

The Executive Committee recommends approval of the issuance of the 2018 RFQ for Business Associations. The motion carried.

Action Item 7 – Charter School Project – Science Center (Attachment 3)

The Science Center of Pinellas offers a great opportunity to educate local youth and prepare them for future careers. Currently, the Science Center hosts the Tampa Bay Youth Build (TBYB) Program, which aims to assist at-risk and low-income youth satisfy GED and diploma requirements. The program is currently providing supportive services and skills-training to 32 students enrolled, and is expected to enroll an additional 38 students in spring 2018. CareerSource Pinellas intends to transform this program into a charter school in Pinellas County School District for the 2019-2020 school year. The school will share the name, “Science Center of Pinellas” and operate at the Science Center location, as well as some construction sites that currently work with TBYB. With charter school certification, the Science Center will receive funding to enhance the resources of the program, enabling growth of student enrollment and, in turn, the betterment of the lives of community youth. The charter school application process is quite extensive and the project includes four phases:

LETTER OF INTENT	A brief letter submitted containing mission statements, board of director member contact information, general location, and student enrollment figures	ASAP
PART 1 of APPLICATION	A 110 page document including every specific involved with successfully operating a school in Pinellas Co.	2/1/18
PART 2 of APPLICATION	If Part 1 is approved, applicants advance to the next round	3/1/18
CONTRACT NEGOTIATION	If approved, the school district will present a contract for negotiation	4/1/18

With success of this process, the Science Center will be a fully functional charter school and have the ability to positively impact more people in the community.

Motion: Tom Bedwell
 Second: Michael Mikurak

The Executive Committee recommends approval to move forward with the charter school project, review attached Letter of Intent, and submit the letter through the appropriate channels. The motion carried.

Other Administrative Matters – The following action items were listed under “other Admin matters”.

Action Item 8 – Issuance of RFP for 401(k) Retirement Services Advisor

After a solicitation in 2013, WorkNet selected and hired a 401(k) Retirement Services Advisor to provide education, retirement preparedness advising, investment review and oversight, and personal financial security planning analysis for staff who request such services. As we have had the same Advisor, Roger Machlin, since that solicitation, it is prudent to issue a new RFP for the same and possibly enhanced services.

Motion: Jack Geller
 Second: Tom Bedwell

The Executive Committee recommends authorizing staff to release an RFP for an independent retirement advisor to provide investment advice to individual staff with the stipulation that any respondent must be classified as an ERISA 3(38) fiduciary advisor/manager. The motion carried.

Action Item 9 – Quarterly 401(k) Monitoring Report and Recommendations (Attachments 4 and 5)

Our organization’s 401(k) plan is monitored on a quarterly basis by ProVise Management Group. Attached is their quarterly monitoring report that details all of the funds in WorkNet Pinellas’ plan including the holdings summary, fiduciary score, investment performance, etc. In addition, ProVise is recommending some fund changes based on the performance review.

Motion: Jack Geller
Second: Sandy Ho / Karla Leavelle

The Executive Committee recommends to authorize ProVise to replace the following funds that are falling below our investment criteria with the recommended funds:

- Replace Nuveen Mid Cap Growth with Eagle Mid Cap Growth*
- Replace Franklin Small Cap Growth with Janus Henderson Triton.*

The motion carried. The Committee also recommends that the Board counsel reviews those recommendations and provides feedback at the next Executive meeting

Action Item 10 – Compensation Plan Flexibility

After approval by the Compensation Committee, Executive Committee, and full Board in August 2016, CareerSource Pinellas adopted a new compensation plan based on the results of a statewide survey conducted by Evergreen Solutions. The survey included the workforce development industry within Florida and throughout the United States as well as similar organizations within the local labor market. Survey data was supplemented by existing salary survey data that was timely, high-quality, reliable and accurate. One of the recommendations also adopted by the Committees and Board was to “conduct small-scale salary surveys as needed to assess the market competitiveness of hard-to-fill classifications and/or classifications with retention issues, and make adjustments to pay grade assignments if necessary.” Staff have been diligently conducting those small-scale salary surveys as new positions are created for grants and other funding received and when it is recognized that we are having challenges hiring and/or retaining qualified staff at the current rate of pay included in our compensation plan. While the overall compensation plan is not out of date, staff have found several instances that the salary band associated with a particular position, especially those associated with IT and other instructor positions, are no longer competitive as our economy grows and unemployment drops to record levels

Motion: Tom Bedwell
Second: Jack Geller

The Executive Committee recommends giving the President and CEO the authority to offer a salary that is competitive with the market to ensure we attain and retain the talent necessary to continue to be one of the highest performers in the State of Florida and a

leader in program results in the Nation. At no time will this compensation authority extend to the point that the budget line item for salaries is exceeded without the review and approval of the Finance Committee. The motion carried.

Action Item 11 – Board Directors: Nomination (Attachment 6)

- **Mr. Chad Simpson** Regional Director, Miller Electric
Representation: Construction
The application is enclosed

Motion: Tom Bedwell
Second: Michael Mikurak / Sandy Ho

The Executive Committee recommends approval of Mr. Chad Simpson to serve on CareerSource Pinellas Board of Directors, effective through June 30, 2019. Upon approval, forward this recommendation to the appointing authority, Pinellas County Board of County Commissioners. The motion carried

Public Comments

None were made.

Adjournment

The meeting was adjourned at approximately 11:52 AM.

WORKNET PINELLAS, INC.

**Financial Statements, Supplemental Information
and Regulatory Reports**

June 30, 2017

(With Independent Auditor's Report Thereon)

DRAFT

WORKNET PINELLAS, INC.

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 17
Supplemental Information:	
Schedule of Expenditures of Federal Awards and State Financial Assistance	18
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	19
Regulatory Reports:	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	20 - 21
Independent Auditors' Report on Compliance for Each Major Program and and on Internal Control over Compliance Required by the Uniform Guidance	22 - 23
Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major State Project and on Internal Control over Compliance in Accordance with Chapter 10.650, <i>Rules of the Auditor General</i> , Office of the Auditor General	24 - 26
Schedule of Findings and Questioned Costs	27 - 28

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
WorkNet Pinellas, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of WorkNet Pinellas, Inc. (the Organization) which comprise the statement of financial position as of June 30, 2017, and the related statement of activities, functional expenses and cash flows for the 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 our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Florida Institute of Certified Public Accountants • American Institute of Certified Public Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WorkNet Pinellas, Inc., as of June 30, 2017 and the respective changes in its net

assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Chapter 10.650, Rules of the Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 22, 2017 on our consideration of the Organization's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

POWELL & JONES
Certified Public Accountants
November 22, 2017

WORKNET PINELLAS, INC.

Statement of Financial Position

June 30, 2017

Assets

Current assets:

Cash and cash equivalents	\$	758,672
Accounts receivable		30,639
Grants receivable		1,462,826
Inventory		1,643
Prepaid expenses		207,169
Total current assets		<u>2,460,949</u>

Noncurrent assets:

Restricted cash		308,925
Loan costs, net		7,749
Endowment investments		9,691
Property and equipment, net		2,654,026
Total noncurrent assets		<u>2,980,391</u>

Total assets \$ 5,441,340

Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued liabilities		1,806,672
Deferred revenue		30,130
Deferred grant revenue		65,573
Debt - current		43,730
Total current liabilities		<u>1,946,105</u>

Noncurrent liabilities:

Debt		671,557
Total noncurrent liabilities		<u>671,557</u>
Total liabilities		<u>2,617,662</u>

Net assets

Unrestricted		2,700,885
Unrestricted - Board designated		36,346
Temporarily restricted		76,756
Permanently restricted		9,691
Total net assets		<u>2,823,678</u>

Total liabilities and net assets \$ 5,441,340

WORKNET PINELLAS, INC.

Statement of Activities

Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and support:				
Grants				
Federal	\$ 13,228,484	-	-	\$ 13,228,484
State	2,500,000	-	-	2,500,000
Local	164,368	-	-	164,368
Contribution and sponsorship revenue	35,216	76,810	-	112,026
Educational program tuition and fees	242,946	-	-	242,946
Other revenue	204,253	-	618	204,871
Inkind revenue	31,400	-	-	31,400
Total revenues and support	<u>16,406,667</u>	<u>76,810</u>	<u>618</u>	<u>16,484,095</u>
Expenses:				
Program services				
Workforce development	15,428,152	-	-	15,428,152
Supporting services				
General and administrative	774,152	54,496	-	828,648
Total expenses	<u>16,202,304</u>	<u>54,496</u>	<u>-</u>	<u>16,256,800</u>
Change in net assets	204,363	22,314	618	227,295
Net assets at beginning of year	2,532,868	54,442	9,073	2,596,383
Net assets at end of year	<u>\$ 2,737,231</u>	<u>76,756</u>	<u>9,691</u>	<u>\$ 2,823,678</u>

WORKNET PINELLAS, INC.

Statement of Functional Expenses

Year Ended June 30, 2017

Expenses	Workforce Development	General and Administrative	Totals
Salaries	\$ 5,937,163	\$ 469,439	\$ 6,406,602
Retirement	259,200	21,419	280,619
Payroll taxes and fringe	444,215	34,885	479,100
Staff training and education	15,887	286	16,173
Accounting and professional	59,930	115,182	175,112
Community outreach	207,148	15,303	222,451
License, dues, and other fees	37,125	2,283	39,408
Communications	153,062	12,773	165,835
Office expenses	483,557	16,650	500,207
Occupancy	455,625	36,667	492,292
Travel	79,861	3,684	83,545
Meetings and conferences	47,624	570	48,194
Other expense	10,066	-	10,066
Contract labor	305,359	22,515	327,874
Insurance	124,613	18,557	143,170
Service provider contracts	2,494,924	-	2,494,924
Customer training	4,202,453	-	4,202,453
Inkind expense	31,400	-	31,400
Interest expense	-	35,305	35,305
Depreciation and amortization	78,940	23,130	102,070
Total Expenses	\$ 15,428,152	\$ 828,648	\$ 16,256,800

WORKNET PINELLAS, INC.

Statement of Cash Flows

Year Ended June 30, 2017

Cash flows from operating activities:		
Change in net assets	\$	227,295
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		98,819
Changes in assets and liabilities:		
Decrease in accounts receivable		112,528
Increase in grants receivable		(94,173)
Decrease in inventory		2,275
Decrease in prepaid expenses		33,048
Decrease in loan costs		3,251
Increase in accounts payable and accrued liabilities		398,701
Decrease in deferred revenue		(13,187)
Increase in deferred grant revenue		63,637
Net cash provided by operating activities		<u>832,194</u>
Cash flows from investing activities:		
Purchase of investments		(618)
Acquisition of property and equipment		<u>(198,989)</u>
Net cash used in investing activities		<u>(199,607)</u>
Cash flows from financing activities:		
Payments on debt		<u>(41,149)</u>
Net cash used in financing activities		<u>(41,149)</u>
Net increase in cash		591,438
Cash, beginning of year		<u>476,159</u>
Cash, end of year	\$	<u><u>1,067,597</u></u>

See accompanying independent auditor's report and notes to financial statements.

WORKNET PINELLAS, INC.

Notes to Financial Statements

Year Ended June 30, 2017

(1) Nature of Organization and Purpose

Effective February 10, 2014 and July 7, 2014, WorkNet Pinellas, Inc. (WORKNET) began doing business as CareerSource Pinellas and as Science Center, respectively. The CareerSource Pinellas rebranding was in coordination with Florida's Workforce System to have a unified brand state-wide. WORKNET began doing business as Science Center following its acquisition on May 16, 2014.

WorkNet Pinellas, Inc. is a not-for-profit corporation that was established on March 2, 2001 under the provisions of the Florida Corporations Not-For-Profit Law set forth in Chapter 617 of the Florida Statutes. WORKNET was created in accordance with the Florida Workforce Innovation Act of 2000 to serve as the administrative entity for programs of the Local Workforce Development Board in Pinellas County. This public-private partnership supports and promotes economic growth through workforce development. The Local Workforce Development Board (the Board) consists of representatives of education, labor, economic development, organizations identified as one stop partners, and other individuals as appointed by the Pinellas County Board of County Commissioners (the County). The Board is one of twenty-four Local Workforce Development Boards in the State of Florida providing for the development, planning, monitoring and administration of the following grants and programs:

- Temporary Assistance for Needy Families
- Wagner Peyser
- Disabled Veterans Outreach Program
- Local Veterans Employment Representative Program
- Workforce Innovation and Opportunity Act (WIOA) – Adult, Youth, and Dislocated Worker
- National Emergency Grants
- Reemployment Services and Eligibility Assessment
- Unemployment Insurance
- Trade Adjustment Assistance
- H-1B Technical Skills Training Grant
- Youthbuild
- Supplemental Nutrition Assistance Programs
- AmeriCorps Member Support
- Manufacturing Extension Partnership Program
- Manufacturing Skills Development

Support and revenue are obtained primarily from federal and state grants. The Board is responsible for developing and implementing an area plan and subgranting funds to direct providers of services.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred.

WORKNET PINELLAS, INC.

Notes to Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(b) Basis of Presentation

WORKNET has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit Entities*. Under FASB ASC 958, WORKNET is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

- Unrestricted net assets consist of unrestricted amounts that are available for use in carrying out the operations of WORKNET. These include those expendable resources, which have been board designated for capital improvements to buildings totals \$36,346 for fiscal year ended June 30, 2017.
- Temporarily restricted net assets result from gifts from donors subject to restrictions that are limited to a specific period of time or purpose.
- Permanently restricted net assets result from gifts from donors who place restrictions on the use of funds or funds designated by WORKNET to function as an endowment, which mandate that the original principal be invested in perpetuity. Generally gains and related investment income on these gifts are available for unrestricted purposes, unless the donor designates restrictions on the use of earning for a specific purpose, in which the earning are then considered temporarily restricted.

(c) Contributions

WORKNET has adopted FASB ASC 958, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction is met through passage of time or fulfillment of a purpose restriction, temporary restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. Temporary restricted contributions that are received and expended in the same period are reported and/or to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

(d) Fair Value Measurements

WORKNET applies the provisions of Financial Accounting Standards Boards (FASB) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements and Disclosures*, for fair value measurements of financial assets and liabilities that are recognized at fair value in the financial statements on a recurring basis. Topic 820 defines fair value as the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumption about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

WORKNET PINELLAS, INC.

Notes to Financial Statements - Continued

(2) **Summary of Significant Accounting Policies - Continued**

(e) **Liquidity**

Assets are presented in the accompanying Statement of Financial Position according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

(f) **Cash and Cash Equivalents**

For purposes of reporting cash flows, all deposits with an original maturity of three months or less are considered to be cash equivalents.

Cash designated for capital improvements to buildings and to fund accrued paid time off is classified as restricted cash in the accompanying statement of financial position.

(g) **Inventory**

Inventory is stated at the lower of cost or market. Cost is determined using the first-in, first-out method.

(h) **Endowment Investments**

Endowment investments represent beneficial interest in assets held by others. In accordance with guidance related to accounting for contributions held by an organization for the benefit of another organization, which states that organization that transfer assets to other not-for-profit agencies who specify themselves as beneficiaries and has not granted variance power, are not considered expenses and recorded as an asset in the statement of financial position at fair value as endowment investments.

(i) **Property and Equipment**

Property and equipment are recorded at cost, if purchased, or at estimated fair value at date of receipt if acquired by gift. Depreciation is recognized over the estimated useful lives of the assets of 3 to 7 years for equipment and vehicles; 5 years for leasehold improvements, 7 to 15 years for educational program videos, 15 years for building improvements and 27.5 years for buildings using the straight-line method. All expenditures of property and equipment less than \$5,000 are expensed when purchased.

In the event of disposal of property and equipment acquired through expenditures of federal funds, WORKNET may be required to return the property and equipment to the funding source or obtain its approval prior to disposal of the property and equipment. Additionally, the proceeds from any disposal of property and equipment may be required to be refunded to the respective funding source.

(j) **Capital Improvement to Buildings**

WORKNET has established a capital improvement fund to pay for capital improvements to the Science Center building as they become necessary. Funds received for building depreciation expense recovered from applicable funding sources are set aside for this purpose. Depreciation expense recovered from these sources totaled \$36,318 for fiscal year ending June 30, 2017.

WORKNET PINELLAS, INC.

Notes to Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(k) Personal Time Off

WORKNET employees are entitled to personal time off (PTO) which combines time off for personal, vacation, and sick leave. PTO is based on length of employment and other factors. PTO is accrued when earned. PTO of \$308,925 is included as a component of accounts payable and accrued expenses in the Statement of Financial Position at June 30, 2017.

(l) Retirement Plan

The provision for pension costs is recorded on an annual basis. Pension costs are funded as they accrue.

(m) Income Taxes

WORKNET is a not-for-profit corporation under the laws of the State of Florida and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. WORKNET believes that it has no liability for taxes with respect to unrelated business income. However, such status is subject to final determination upon examination of the related income tax returns by the appropriate taxing authorities.

WORKNET follows Accounting Standards Codification Topic 740, *Income Taxes* ("ASC 740"). A component of this standard prescribes a recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. WORKNET's policy is to recognize interest and penalties associated with tax positions under this standard as a component of tax expense, and none were recognized since there was no material impact of the application of this standard for the year ended June 30, 2017. As required by Internal Revenue Service regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service. The returns for 2016, 2015 and 2014 are subject to review and adjustment by the Internal Revenue Service.

(n) Revenue Recognition

Revenues and the related expenses of cost-reimbursement grant programs are recognized as allowable costs are incurred. Federal grant advances are classified as deferred revenue until expended for the intended purpose. Grants receivable relates to support earned but not yet received from federal sources.

(o) Inkind

Inkind revenue and expense of \$31,400 is comprised of contributed services. Contributed services are reported at fair value in the financial statements for voluntary donations of services when those services: (1) create or enhance non-financial assets at date or (2) require specialized skills provided by individuals possessing those skills and are services which would be typically purchased if not provided by donation. Contributed services represent services for teaching, clerical and outreach.

WORKNET PINELLAS, INC.

Notes to Financial Statements - Continued

(2) Summary of Significant Accounting Policies – Continued

(p) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, support and expenses during the reporting period. Actual results could differ from those estimates.

(q) Functional Allocation of Expenses

The cost of providing WORKNET's various programs and other supporting services have been summarized on a functional basis in the statement of activities. Direct expenses are charged directly to the related program. Certain costs which are directly shared have been allocated to programs based upon the relative benefits received. Expenses that are not directly identifiable with a specific program are allocated as indirect costs to benefiting programs based upon de minimis indirect rate of 10-percent of modified total direct costs. Supporting services in the statement of activities include expenses that have been allocated both directly and indirectly to the Organization's programs. Supporting services include planning, development, oversight and administrative functions of all programs, support services for the One Stop System including Information Technology, Management Information Systems, Facility Management, Community Outreach, and One Stop Staff training and development activities.

(3) Investments

WORKNET uses fair value measurements to record fair value adjustment to certain assets and liabilities and to determine fair value disclosures and follows the provisions of FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, the authoritative guidance for fair value measurements of investments that are recognized at fair value in the financial statements. ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to measurements involving significant unobservable inputs (Level 3).

The three levels of fair value hierarchy are as follows:

- Level 1: Inputs to the valuation methodology are quoted prices available in active markets for identical assets as of the reporting date.
- Level 2: Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and
- Level 3: Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset and the reporting entity makes estimates an assumptions related to the pricing of the assets or liability including assumptions regarding risk.

WORKNET PINELLAS, INC.

Notes to Financial Statements - Continued

(3) **Investments - Continued**

Fair Value of Financial Instruments

At June 30, 2017 and 2016, the carrying value of all financial instruments approximates fair value. The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Beneficial Interest in Assets Held by Others

Carrying value is measured at fair value with a valuation technique utilizing market prices at the close of the last business day for the statement period, provided by the Community Foundation of Tampa Bay.

All Other

The following table summarizes the fair value measurement by level at June 30, 2017 for financial assets and liabilities measured at fair value on a recurring basis:

Beneficial Interest in Assets Held by Others	Fair Value Measurement at Reporting Date Using		
	Level 1	Level 2	Level 3
\$	-	-	9,691

Fair Value Measurements

The table below sets for the summary of changes in the fair value of WORKNET's level 3 financial assets during the year ended June 30, 2017:

Balance, beginning of year	\$	9,073
Receipts		618
Balance, end of year	\$	9,691

WORKNET PINELLAS, INC.

Notes to Financial Statements - Continued

(4) Grants Receivable

Grants receivable is comprised of the following grant awards at June 30, 2017:

Federal awards:

U.S. Department of Health and Human Services:

Temporary Assistance for Needy Families	\$ 329,168
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U.S. Department of Labor:

Wagner Peyser	86,980
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Disabled Veterans Outreach Program	5,193
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Local Veterans Employment Representative Program	5,180
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Worforce Innovation and Opportunity Act

(WIOA) Cluster:

WIOA Adult	475,034
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WIOA Dislocated Worker	252,748
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National Emergency Grant - Sector Partnership NEG	21,000
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Job-Driven (JD) National Emergency Grant	42,600
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Reemployment Services and Eligibility Assessment	7,025
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Unemployment Insurance	8,636
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Trade Adjustment Assistance	29,918
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Youthbuild	49,284
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U.S. Department of Agriculture:

Supplemental Nutrition Assistance Program	15,103
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Corporation for National & Community Service

AmeriCorps State	158
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U.S. Department of Commerce

Manufacturing Extension Partnership Program	83,398
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Total federal	<u>1,411,425</u>
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State awards:

Florida Department of Economic Opportunity

Manufacturing Skills Development	10,000
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Gulf Coast NCP	39,000
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Total state	<u>49,000</u>
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Local award:

The Juvenile Welfare Board

Youth Innovators of Pinellas	678
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Total local	<u>678</u>
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Total grants receivable	<u>\$ 1,461,103</u>
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WORKNET PINELLAS, INC.

Notes to Financial Statements - Continued

(5) Property and Equipment

Property and equipment consists of the following at June 30, 2017:

Land	\$	880,000
Equipment		515,668
Software		7,556
Buildings and Improvements		1,880,788
Educational Videos		24,600
Vehicles		67,513
Construction-In-Progress		10,000
Total cost		<u>3,386,125</u>
Accumulated depreciation		<u>(732,099)</u>
	\$	<u>2,654,026</u>

Depreciation expense for the year ended June 30, 2017 was \$98,819.

(6) Deferred Grant Revenue

Deferred grant revenue is comprised of the following grant awards at June 30, 2017:

Federal awards:		
U.S. Department of Labor:		
Workforce Innovation and Opportunity Act Youth	\$	43,505
Local awards:		
The Able Trust		
Ability Initiative Training Program		20,345
Total deferred grant revenue	\$	<u>63,850</u>

(7) Debt

Mortgage Payable

Effective December 12, 2014, WORKNET obtained a new business loan for the principal amount of \$700,000 with an interest at a rate of 4.650% per annum based on a year of 360 days. The proceeds of the loan were used to pay-off the remaining principal and interest of the mortgage payable existing at June 30, 2014. The payment terms require 59 regular payments of \$4,511 each and one irregular payment of \$585,710. The first payment is due January 10, 2015, and all subsequent payments are due on the same day of each month after that. The final payment will be due on December 10, 2019, and will be for all principal and all accrued interest not yet paid. As of June 30, 2017, WORKNET is in compliance with all covenants and conditions of instruments governing the loan agreement. The loan is also secured by the real estate associated with the Science Center. Schedule maturities of the debt are as follows:

Year Ended June 30,		
2018	\$	24,287
2019		25,458
2020		594,346
Total	\$	<u>644,091</u>

Interest expense totaled \$29,500 for the year ended June 30, 2017.

WORKNET PINELLAS, INC.

Notes to Financial Statements - Continued

(7) **Debt - Continued**

Equipment Financing Agreement

WORKNET entered into an Equipment Finance Agreement (EFA) in September 2015 to finance the labor and materials associated with the purchase and installment of a 70 ton air cooled chiller and building HVAC controls at the Science Center building. The terms of the EFA require WORKNET to pay principal of \$100,400 over 60 monthly installments at an interest rate of 7.86% per annum. The first payment of principal and interest of \$2,029 was due in November 2015 and last payment in October 2020. Schedule maturities of the debt are as follows:

Year Ended June 30,		
2018	\$	19,443
2019		21,027
2020		22,741
2021		7,985
Total	\$	<u>71,196</u>

Interest expense totaled \$5,805 for the year ended June 30, 2017.

(8) **Beneficial Interest in Assets Held by Others – Endowment Funds**

WORKNET established a fund, a board designated endowment, at the Community Foundation of Tampa Bay (the Foundation). The Foundation was granted no variance power to redirect the use of the funds to another beneficiary. On an annual basis, the Foundation distributes net income from these funds to WORKNET which is used by the WORKNET for operational needs.

Spending Policy – The Foundation shall each year make distributions from the endowed fund based on the asset value as of December 31 of the previous year.

Investment Policy – All of the board designated endowment funds are deposited with the Foundation. The Board of Directors has delegated the investment policy responsibility to the Foundation and, therefore, follows the investment policy as determined by the Foundation.

(10) **Temporary and Permanent Restrictions on Net Assets**

Temporary restrictions on net assets as June 30, 2017 relate to the following:

Duke Energy	\$	50,000
Camp Scholarships		21,756
Iguana Sanctuary		5,000
	\$	<u>76,756</u>

Permanently restricted net asset as of June 30, 2017 relates to \$9,691 investment in Community Foundation of Tampa Bay.

WORKNET PINELLAS, INC.

Notes to Financial Statements - Continued

(11) Lease Commitments

WORKNET leases facilities (workforce program offices and administrative office) and equipment (copiers and other office equipment) under cancelable and non-cancelable lease agreements. Pursuant to the original lease documents, the terms of the cancelable lease shall remain ongoing until cancelled by either party. The lessor or lessee shall have the right to terminate for any reason, without penalty, with one hundred eighty (180) days written notice.

Facility lease payments totaling \$301,850, net of \$26,440 sublease income, is comprised of cancelable and non-cancelable payments of \$204,259 and \$124,031, respectively, for the year ending June 30, 2017. Equipment lease payments totaling \$63,690 is comprised of cancelable and non-cancelable payments of \$8,991 and \$54,699, respectively, for the year ending June 30, 2017. Minimum future lease payments under non-cancelable facility leases having remaining terms in excess of one year are as follows:

Year Ended June 30,	
2018	\$ 153,765
2019	42,084
2020	42,084
2021	42,084
2022	14,028
	<u>\$ 294,045</u>

(12) Employment Benefits

(a) Retirement Plan

WORKNET provides a 401(k) Plan (the Plan). The Plan may provide two types of employer contributions, a non-elective contribution (NEC) and a matching contribution to eligible participants. The NEC is provided to all eligible employees regardless if the employee contributes to the Plan and equals 5% of the employee's eligible earnings. The matching contribution is only provided to those employees who elect to contribute to the Plan. WORKNET elected to provide the NEC but not the matching contributions. Employer contributions totaled \$280,619 for the year ended June 30, 2017.

(b) Benefit Stipend

WORKNET provides a benefit stipend (stipend) to eligible employees. The stipend equals 28% of the employee's eligible earnings. It is included as part of the employee's gross pay and paid twice a month over 24 pay periods. The stipend totaled approximately \$1,587,183 for the year ended June 30, 2017.

WORKNET PINELLAS, INC.

Notes to Financial Statements - Continued

(13) Reconciliation of Schedule of Expenditures of Federal Awards Programs and the Statement of Activities to OSMIS

As required, WORKNET regularly reconciles its financial records to the One Stop Management Information System (OSMIS) which is maintained by the Florida Department of Economic Opportunity. As of June 30, 2017, no discrepancies were noted. Amounts expended on the Schedule of Expenditures of Federal Awards and State Financial Assistance and revenues and expenses on the statement of activities were determined in accordance with the accrual basis of accounting.

Total Federal and State Expenditures/Grant Revenue	\$ 15,728,484
Funds received directly from funding sources not reported in OSMIS	<u>527,292</u>
Reported in OSMIS	<u>\$ 15,201,192</u>

(14) Concentration of Credit Risk

WORKNET maintains its cash with four financial institutions. WORKNET's deposits are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, WORKNET has deposits which exceed the FDIC amount. Management does not anticipate nonperformance by any of the financial institutions.

(15) Grants

Costs charged to federal programs under cost-reimbursement grants are subject to government regulatory audits. Therefore, all such costs are subject to adjustment. Management believes that adjustments, if any, would not have a significant effect on the financial statements. WORKNET receives a substantial amount of its support from federal agencies through various grants. Any significant reduction in the level of this support could have an effect on WORKNET's programs.

(16) Legal Matters

WORKNET is involved in various legal actions that, in the opinion of management, will not have a significant effect on the financial position or results of operations of WORKNET.

(17) Related Party Transactions

In accordance with applicable regulations, WORKNET's Board of Directors includes representatives of private and public sector industries. During the fiscal year ended June 30, 2017, WORKNET entered into contracts with certain private and public sector industries, with which board members are associated for the purpose of providing services to participants. Total payments for providing services to participants during the year ended June 30, 2017 were approximately \$1,917,645 and accounts payable at June 30, 2017 were approximately \$72,000.

(18) Subsequent Events

WORKNET has evaluated subsequent events from the statement of financial position date through November 22, 2017 the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

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WORKNET PINELLAS, INC.

Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2017

<u>Federal/State Agency Pass-Through Entity/Program Title</u>	<u>CFDA/ CSFA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>	<u>Pass Through</u>
U.S. Department of Health and Human Services				
Passed through the Department of Economic Opportunity:				
Temporary Assistance for Needy Families	93.558	WTS16, WTS17	\$ 4,324,555	\$ 1,472,223
Total U.S. Department of Health and Human Services			<u>4,324,555</u>	<u>1,472,223</u>
U.S. Department of Labor				
Passed through the Department of Economic Opportunity:				
Employment Service Cluster				
Wagner Peysner	17.207	WPA16, WPA17, WPB16	756,485	-
Disabled Veterans Outreach Program	17.801	DVP16, DVP17	128,297	-
Local Veterans Employment Representative Program	17.804	LVR16, LVR17	29,788	-
Subtotal Employment Service Cluster			<u>914,570</u>	<u>-</u>
Workforce Innovation and Opportunity Act (WIOA) Cluster				
WIOA - Adult	17.258	WIA16, WIA17, WIS15, WIS16	2,123,370	-
WIOA - Youth	17.259	WIY16, WIY17	2,215,570	585,738
WIOA - Dislocated Worker	17.278	WID16, WID17	1,403,265	-
Subtotal WIA Cluster			<u>5,742,205</u>	<u>585,738</u>
National Emergency - Sector Partnership NEG	17.277	WNMP5	325,767	-
Job-Driven (JD) National Emergency Grant	17.277	WNJD5	246,600	-
Subtotal WIA National Dislocated Worker Grants/WIA National Emergency Grants			<u>572,367</u>	<u>-</u>
Reemployment Services and Eligibility Assessment	17.225	UCRE6, UCRE7	474,267	-
Unemployment Insurance	17.225	UCB16, UCB17	65,101	-
Subtotal Unemployment Insurance			<u>539,368</u>	<u>-</u>
Trade Adjustment Assistance	17.245	TAT14, TAT15, TAC14, TAC15 TAA14, TAA15	148,686	-
Subtotal Department of Economic Opportunity			<u>7,917,196</u>	<u>585,738</u>
H-1B Technical Skills Training Grant	17.268	HG-22619-12-60-A-12	27,079	-
Youthbuild	17.274	YB-24706-13-60-A-12	295,470	-
Subtotal Direct U.S. Department of Labor			<u>322,549</u>	<u>-</u>
Total U.S. Department of Labor			<u>8,239,745</u>	<u>585,738</u>
U.S. Department of Agriculture				
Passed through the Department of Economic Opportunity:				
Supplemental Nutrition Assistance Program	10.561	FSH16	449,547	-
Supplemental Nutrition Assistance Program Employment and Training 50%	10.561	FSF17	9,895	-
Total U.S. Department of Agriculture			<u>459,442</u>	<u>-</u>
Department of Commerce				
Passed through FloridaMakes. Inc.				
FloridaMakes Manufacturing Extension Partnership	11.611	#70NANB15H041	118,151	-
Total U.S. Department of Commerce			<u>118,151</u>	<u>-</u>
Corporation for National & Community Service				
Passed through Florida Commission on Community Service dba Volunteer Florida				
AmeriCorps State	94.006	15AFHFL001	86,591	-
Total Expenditures of Federal Awards			<u>\$ 13,228,484</u>	<u>\$ 2,057,961</u>
Florida Department of Economic Opportunity				
Manufacturing Skills Development	40.037	FWFLP	\$ 2,000,000	\$ -
WorkForce Development Projects	40.037	FWFLP	500,000	436,963
Total State Financial Assistance			<u>\$ 2,500,000</u>	<u>\$ 436,963</u>

WORKNET PINELLAS, INC.

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2017

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule) includes the federal grant activity of WORKNET under programs of the federal government passed through the Department of Economic Opportunity for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 10.650, *Rules of the Auditor General of Florida*. Because the schedule presents only a selected portion of the operations of WORKNET, it is not intended to and does not present the financial position, changes in net assets or cash flows of WORKNET.

(2) Basis of Accounting

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

(3) Property and Equipment

Property and equipment of approximately \$116,000 was purchased using federal grant awards during fiscal year ending June 30, 2017. These amounts are included in the Schedule but excluded from the statement of activities as the amount has been capitalized for financial statement purposes and recorded as property and equipment on the statement of position.

(4) Indirect Cost Rate

WORKNET elected to use the 10 percent de minimis indirect cost rate.

REGULATORY REPORTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors
WorkNet Pinellas, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WorkNet Pinellas, Inc. (the Organization) which comprise the statement of financial position as of June 30, 2017, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 22, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions

of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

POWELL & JONES
Certified Public Accountants
November 22, 2017

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
WorkNet Pinellas, Inc.

Report on Compliance for Each Major Federal Program

We have audited WorkNet Pinellas, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of WorkNet Pinellas, Inc.'s major federal programs for the fiscal year ended June 30, 2017. WorkNet Pinellas, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of WorkNet Pinellas, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements or Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Florida Department of Economic Opportunity's (DEO) Audit and Audit Resolution Responsibilities (AWI FG 05-019) issued August 12, 2005. Those standards, the Uniform Guidance, and DEO guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about WorkNet Pinellas, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of WorkNet Pinellas, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, WorkNet Pinellas, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control Over Compliance

Management of WorkNet Pinellas, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered WorkNet Pinellas, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of WorkNet Pinellas, Inc.'s internal control over compliance.

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

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

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

POWELL & JONES
Certified Public Accountants
November 22, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE
PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH CHAPTER 10.650, RULES OF THE AUDITOR GENERAL, OFFICE OF THE
AUDITOR GENERAL**

**Board of Directors
WorkNet Pinellas, Inc.**

Report on Compliance for Each Major State Project

We have audited the compliance of WorkNet Pinellas, Inc. with the types of compliance requirements described in the State of Florida, Department of Financial Services State Projects Compliance Supplement, that could have a direct and material effect on its major State project for the year ended June 30, 2017. WorkNet Pinellas, Inc.'s major State project is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

WorkNet Pinellas, Inc.'s management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major State project.

Auditors' Responsibility

Our responsibility is to express an opinion on WorkNet Pinellas, Inc.'s compliance for each major State Project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General. Those standards and Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about WorkNet Pinellas, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State Project. However, our audit does not provide a legal determination of WorkNet Pinellas, Inc.'s compliance.

Opinion on Each Major State Project

In our opinion, WorkNet Pinellas, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State projects for the fiscal year ended November 22, 2017.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with Chapter 10.650, Rules of the State of Florida, Office of the Auditor General.

Internal Control Over Compliance

Management of WorkNet Pinellas, Inc. is responsible for establishing and maintaining effective internal control over the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered WorkNet Pinellas, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State Project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the State of Florida, Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of WorkNet Pinellas, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Pursuant to Chapter 119, *Florida Statutes*, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to

indicate that this report is intended solely for the information and use of WorkNet Pinellas, Inc.'s management, State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

POWELL & JONES
Certified Public Accountants
November 22, 2017

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WORKNET PINELLAS, INC.
 SCHEDULE OF FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE
 FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Noncompliance material to the financial statements noted? No

Federal Awards and State Projects Section

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Type of auditor's report issued on compliance for major federal programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a) and/or Chapter 10.650: No

Identification of major programs/projects:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	<u>U.S. Department of Labor</u>
	Workforce Innovation and Opportunity Act Cluster
	Opportunity Act Cluster
17.258	Adult
17.259	Youth
17.278	Dislocated Worker
	 <u>Name of State Project</u>
<u>CSFA Number</u>	<u>Florida Department of Economic Opportunity</u>
40.037	Manufacturing Skills Development
40.037	WorkForce Development Projects

Dollar threshold to distinguish between type A and type B Federal Programs

Federal \$750,000

State \$300,000

Auditee qualified as low-risk auditee? Yes

WORKNET PINELLAS, INC.
SCHEDULE OF FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE
FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Section II - Financial Statement Findings

None

Section III - Federal Award and State Project Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Audit Findings

None

Section V - Other

None

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Attachment 2

CareerSource Pinellas
Modification #3 to PY 2017-2018 Budget

BUDGET

Program:	Approved Budget	Modification #3	Modified Budget
WIOA Adult	1,624,489	-	1,624,489
WIOA Youth	1,520,618	-	1,520,618
WIOA Dislocated Worker	2,841,877	-	2,841,877
WIOA Supplemental	214,666	-	214,666
WIOA Community Based Sector Strategies	134,179	-	134,179
WIOA Sector Strategies Career Ready	-	140,000	140,000
WIOA Sector Strategies IT Training	-	180,000	180,000
WIOA Sector Strategies Construction	-	60,000	60,000
WIOA Govenors Challenge	-	100,000	100,000
WIOA Performance Incentives	196,635	-	196,635
Subtotal Formula-Based Programs	6,532,464	480,000	7,012,464
TAA	253,343	-	253,343
Subtotal Special Projects	253,343	-	253,343
Subtotal WIOA	6,785,807	480,000	7,265,807
Wagner Peyser	600,057	-	600,057
Wagner Peyser Performance Incentives	14,259	-	14,259
Wagner Peyser Coop Outreach	42,282	-	42,282
Veterans Programs	125,000	-	125,000
SNAP	450,000	66,706	516,706
SNAP ERS	30,700	-	30,700
Unemployment Services	60,000	(3,990)	56,010
	-		-
Subtotal DEO	1,322,298	62,716	1,385,014
Welfare Transition Program	2,345,034	1,000	2,346,034
Welfare Transition-NCPP	1,416,000	-	1,416,000
Subtotal WTP	3,761,034	1,000	3,762,034
Pre-Vocational Training	400,000	-	400,000
Re-Employment & Eligibility Assessments	404,488	-	404,488
USDOL Youthbuild 2016	636,887	-	636,887
DCF - Food for Families	450,000	185,000	635,000
Florida Makes	366,602	-	366,602
Americorps	193,614	-	193,614
Able Trust - Ability Initiative Grant	109,012	-	109,012
JWB Youth Innovators	67,195	-	67,195
Science Center	200,000	-	200,000
Subtotal Direct Programs	2,827,798	185,000	3,012,798
Total Combined	14,696,937	728,716	15,425,653

CareerSource Pinellas
CAREERSOURCE PINELLAS BUDGET
 PY 2017 (July 2017-June 2018)

	Workforce Innovation & Opportunity Act Programs	Employment Services Programs	Welfare Transition Programs	Direct Grants and Special Projects	Adjusted CareerSource Pinellas Budget PY 17-18	Modification #3	Prior CareerSource Pinellas Budget PY 17-18
REVENUE							
P.Y. 2017 CONTRACTS	5,404,148	1,545,705	3,762,034	2,906,237	13,618,124	730,440	12,887,684
CARRYFORWARD	1,608,316	92,652	-	106,561	1,807,529	(1,724)	1,809,253
TOTAL REVENUE	7,012,464	1,638,357	3,762,034	3,012,798	15,425,653	728,716	14,696,937
EXPENDITURES:							
CAREERSOURCE PINELLAS ADMIN	490,872	188,846	263,342	210,896	1,153,957	51,010	1,102,947
Indirect Cost Rate 7%							
PROJECTED EXPEND	490,872	188,846	263,342	210,896	1,153,957	51,010	1,102,947
TOTAL ADMIN % FUNDS AVAIL	7.0%	11.5%	7.0%	7.0%	7.5%	0.0%	7.5%
PROGRAM SERVICES:							
SERVICE PROVIDER CONTRACTS:							
Business Services	1,130,685	-	298,901	420,414	1,850,000	-	1,850,000
Resource Room Services	-	-	-	-	-	-	-
Case Management	885,000	560,000	985,000	610,000	3,040,000	85,000	2,955,000
Participant	1,530,000	225,000	340,000	10,000	2,105,000	105,000	2,000,000
Pinellas Education Foundation							
Out of School Staff	215,000	-	35,000	-	250,000	-	250,000
Out of School Participant	250,000	-	35,000	-	285,000	-	285,000
In School Youth Staff	10,000	-	-	-	10,000	-	10,000
In School Youth Participant	15,000	-	-	-	15,000	-	15,000
Junior Achievement	-	-	150,000	-	150,000	50,000	100,000
Gulf Coast - NCEP	-	-	1,315,000	-	1,315,000	-	1,315,000
SUB TOTAL SERVICE PROVIDER	4,035,685	785,000	3,158,901	1,040,414	9,020,000	240,000	8,780,000
CAREERSOURCE PINELLAS SUPPORT SERVICES;							
INDIRECT COST RATE 3%	210,374	80,934	112,861	90,384	494,553	21,861	472,692
PROGRAM STAFF DIRECT	325,000	-	-	1,020,000	1,345,000	435,000	910,000
DEO STAFF TRAVEL	-	10,000	-	-	10,000	-	10,000
ONE STOP CENTER OPERATING	287,729	149,276	109,602	103,393	650,000	-	650,000
MIS/TECHNOLOGY	173,865	99,638	54,801	51,696	380,000	30,000	350,000
COMMUNITY OUTREACH	10,270	241,226	4,567	7,597	263,660	(738)	264,398
EMPLOYMENT SERVICES	-	-	-	-	-	-	-
EMPLOYED WORKER TRAINING	400,000	-	-	-	400,000	-	400,000
SUBSIDIZED EMPLOYMENT	875,000	-	50,000	60,000	985,000	50,000	935,000
TRAINING INCENTIVES/TRAINING	110,000	20,000	-	250,000	380,000	10,000	370,000
STAFF INVENTIVES	-	-	-	75,000	75,000	-	-
ONE STOP STAFF TRAINING	14,386	4,964	5,480	5,170	30,000	-	30,000
SUB TOTAL CAREERSOURCE PINELLAS SUPP SVCS	2,406,624	606,038	337,311	1,663,240	5,013,213	546,123	4,467,090
TOTAL DIRECT CLIENT	6,442,309	1,391,038	3,496,212	2,703,654	14,033,213	786,123	13,247,090
EXCESS	79,283	58,473	2,480	98,248	238,483	(108,417)	346,900
SUMMARY							
TTOTAL AVAILABLE	7,012,464	1,638,357	3,762,034	3,012,798	15,425,653	728,716	14,696,937
TOTAL DIRECT CLIENT	6,442,309	1,391,038	3,496,212	2,703,654	14,033,213	786,123	13,247,090
TOTAL ADMINISTRATIVE	490,872	188,846	263,342	210,896	1,153,957	51,010	1,102,947
TOTAL BUDGETED COST	6,933,181	1,579,884	3,759,554	2,914,550	15,187,170	837,133	14,350,037
EXCESS/(DEFICIENCY)	79,283	58,473	2,480	98,248	238,483	(108,417)	346,900

Attachment 3

Mail this letter to

Rick Wolfe

Director, Charter Schools and Home Education

Pinellas County Schools

301 Fourth Street SW

Largo, FL 33770

Dear Mr. Wolfe,

Please accept this letter of intent to submit a charter school application to the District School Board of Pinellas County. The name of the proposed charter school will be the Science Center of Pinellas Education Innovation Center, also to be known as STEIC.

The following is a description of the mission of our proposed charter school:

The mission of the Science Center is to inspire, motivate and stimulate students through experiential education delivered in partnership with employers.

The following is a description of the vision of our proposed charter school:

Provide education and skills training so all residents of Pinellas County have the opportunity to fulfill their career goals.

Below are the student enrollments by school year, projecting a five-year span, including the corresponding grade levels to be serviced and the maximum student enrollment per year.

School Year	Grade Levels to be Served	Maximum Student Enrollment
2018-2019	9-12	50
2019-2020	9-12	50
2020-2021	9-12	50
2021-2022	9-12	50
2022-2023	9-12	50

The charter school will be located at the Science Center of Pinellas with the following address:
7701 22nd Avenue North
Saint Petersburg, FL 33710

This charter school does not intend to contract with an ESP to provide services. The founding board members consist of the following individuals:

Aundre Green
General Dynamics Ordnance and Tactical Systems
Director, HR and Business Unit Ethics Officer
11399 16th Court North, Suite 200
St. Petersburg, FL 33716
(727) 578-8380
aundre.green@gd-ots.com

John Kearney
Advanced Training Systems
CEO
9800 4th Street North, Suite 204
St. Petersburg, FL 33702
(727)-560-0515
jeks@atstrainingsystems.com

Michael Mikurak
MGM Strategic Consulting
CEO
400 Beach Drive N. E. Unite 703
St. Petersburg, FL 33701
(727) 641-1886
mmikurak@tampabay.rr.com

Lenné Nicklaus
Nicklaus of Florida
Vice President
4615 Gulf Blvd, Suite 119
St.Pete Beach, FL, 33706
(727)-440-8094
lenne@nofinc.com

Richard Peck
QTM Inc.
President
300 Stevens Avenue
Oldsmar, FL 34677
(727) 644-2593
rkp@qtminc.com

The contact person for this charter school's application is **Mr. Edward Peachey, President of CareerSource Pinellas and CareerSource Tampa Bay**, where all founding board members also hold board of director positions.

CareerSource Pinellas
13808 58th Street N., 2-140
Clearwater, FL 33760
(727) 480-7116
epeachey@careersourcepinellas.com

Sincerely,

(Printed name)

(Signature)



Prepared on: 10/27/2017 | Fund data as of 9/30/2017 | Holdings as of 09/30/2017

Prepared For:

WorkNet Pinellas 401k Plan

Prepared By:

ProVise Management Group, LLC
611 Druid Road, Suite 105
Clearwater, FL 33756

Table of Contents

Executive Commentary

This section will display all of the client notes.

Performance Summary - Broad Market

This section presents a review of the broad market over several time periods.

Performance Summary - Equity

This section presents a review of the equity market over several time periods.

Performance Summary - Fixed Income

This section presents a review of the fixed income market over several time periods.

Holdings Summary

This section displays the complete investment lineup.

Grouping: Broad asset class using the fi360 default ordering | **Investment ordering:** fi360 Fiduciary Score ascending

Fi360 Fiduciary Score® Scatter Plot

This section displays the fi360 Fiduciary Score (Quarter and Average (3yr)) for each investment using a scatter plot graph.

Fi360 Fiduciary Score® Breakdown

This section presents specific fiduciary due diligence analysis for each investment using the fi360 Fiduciary Score criterion.

Grouping: Broad asset class using the fi360 default ordering | **Investment ordering:** fi360 Fiduciary Score ascending

Style Analysis

This section presents the allocation of investments using the Morningstar style box.

Investment Performance

This section compares an investments return to the median peer group manager and an index benchmark.

Grouping: Broad asset class using the fi360 default ordering | **Investment ordering:** fi360 Fiduciary Score ascending

Client Trends: Portfolio

This section will review and analyze trends in the client's portfolio or plan lineup over time.

Investment Expenses

This section provides expense analysis for the investments including the prospectus net, prospectus gross, and audited net expense ratios.

Investment Fact Sheet

This section provides analysis and detailed data helpful in a comprehensive analysis of an investment.

Grouping: Broad asset class using the fi360 default ordering | **Investment ordering:** fi360 Fiduciary Score ascending

Standardized Performance Disclosure

This section displays standard disclosures for performance and fees as defined by FINRA.

Grouping: Broad asset class using the fi360 default ordering | **Investment ordering:** fi360 Fiduciary Score ascending

Glossary

This section displays terms and descriptions for all of the relevant data points used throughout the report.

Index Definitions

This section defines each benchmark index used in the report.

Investment Company Contact Information

This section provides the phone number for the investment companies in the report.

Peer Group Definitions / Risk Disclosures

This section defines each peer group used in the report.

Executive Commentary

2017 Third Quarter Market Commentary from ProVise Management Group, LLC.

9/30/2017

As the summer draws to a close, we again note the divergence between the worries about the market and the performance of the market. While most indices are near all-time highs, they've achieved these levels in the face of a rise in geopolitical tension, continued low bond yields, oil market upheaval and increased political division..

The factors driving the market's performance are economic; unemployment remains low, inflation continues to be low and global economic growth is the best we've seen this decade. While we can't shake the feeling that a short-term correction is overdue, the combination of earnings growth and dovish monetary policy is an environment which favors continued equity market gains.

Domestic stocks and bonds broadly rose during the quarter reflecting double-digit second quarter earnings growth and investors' preference for higher yielding U.S. bonds versus international fixed income alternatives. GDP growth for the second quarter came in better than anticipated at an annualized 3.1% rate, making it the strongest quarter in more than two years. Hurricanes Harvey and Irma could harm GDP growth in the third and fourth quarters of 2017, but the economic impact should be temporary.

We expect third quarter corporate earnings to extend their strong performance. Businesses should continue to benefit from the weak U.S. dollar and pick-up in global economic growth. However, we believe maintaining some exposure to cash and shorter-term fixed income serves investors well as a shock absorber of peripheral global events.

The employment picture is still encouraging. Even as weekly unemployment claims rise due to the devastation in Texas, Louisiana and Florida, the national unemployment rate remains near a 16 year low. Despite this, average hourly earnings remain tepid, giving the Federal Reserve pause as it tries to unwind its loose money policies.

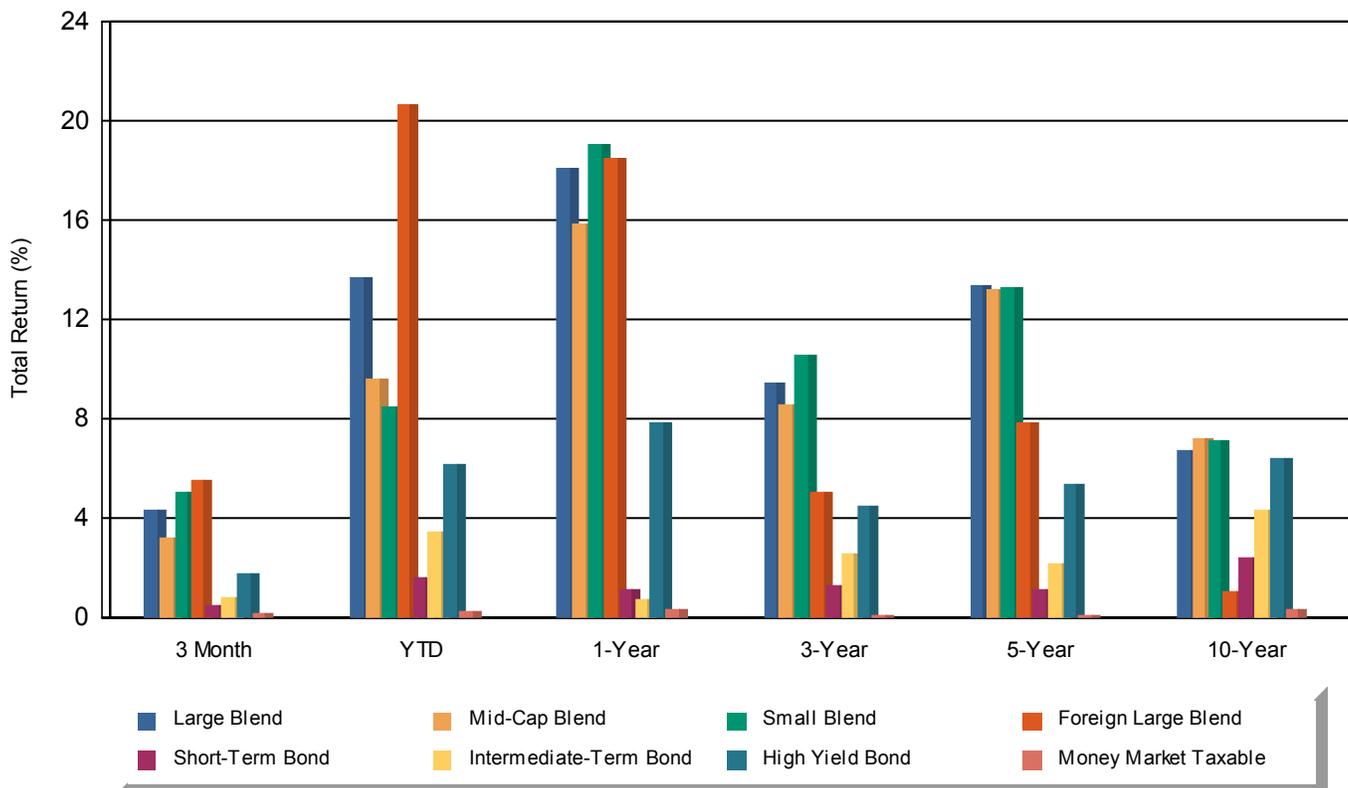
Overseas equity markets lengthened their outperformance of the major U.S. indices with the MSCI Europe, Australasia and the Far East Equity Index gaining 5.40% for the third quarter and the MSCI Emerging Markets Index faring even better for the quarter, returning 8.04%. However, a large portion of these returns was due to currency fluctuations and thus foreign markets still appear attractive.

Retirement and Investment Team of ProVise Management Group, LLC

Performance Summary - Broad Market

(Total Returns)

Mutual Fund/ETF Peer Group	3-Month	YTD	1-Year	3-Year	5-Year	10-Year
Large Blend	4.35%	13.67%	18.08%	9.44%	13.37%	6.74%
Mid-Cap Blend	3.20%	9.58%	15.86%	8.59%	13.23%	7.23%
Small Blend	5.08%	8.48%	19.05%	10.56%	13.31%	7.14%
Foreign Large Blend	5.54%	20.62%	18.47%	5.07%	7.88%	1.08%
Short-Term Bond	0.46%	1.60%	1.12%	1.31%	1.10%	2.41%
Intermediate-Term Bond	0.85%	3.43%	0.70%	2.55%	2.15%	4.36%
High Yield Bond	1.81%	6.15%	7.83%	4.50%	5.34%	6.40%
Money Market Taxable	0.14%	0.29%	0.31%	0.11%	0.06%	0.32%



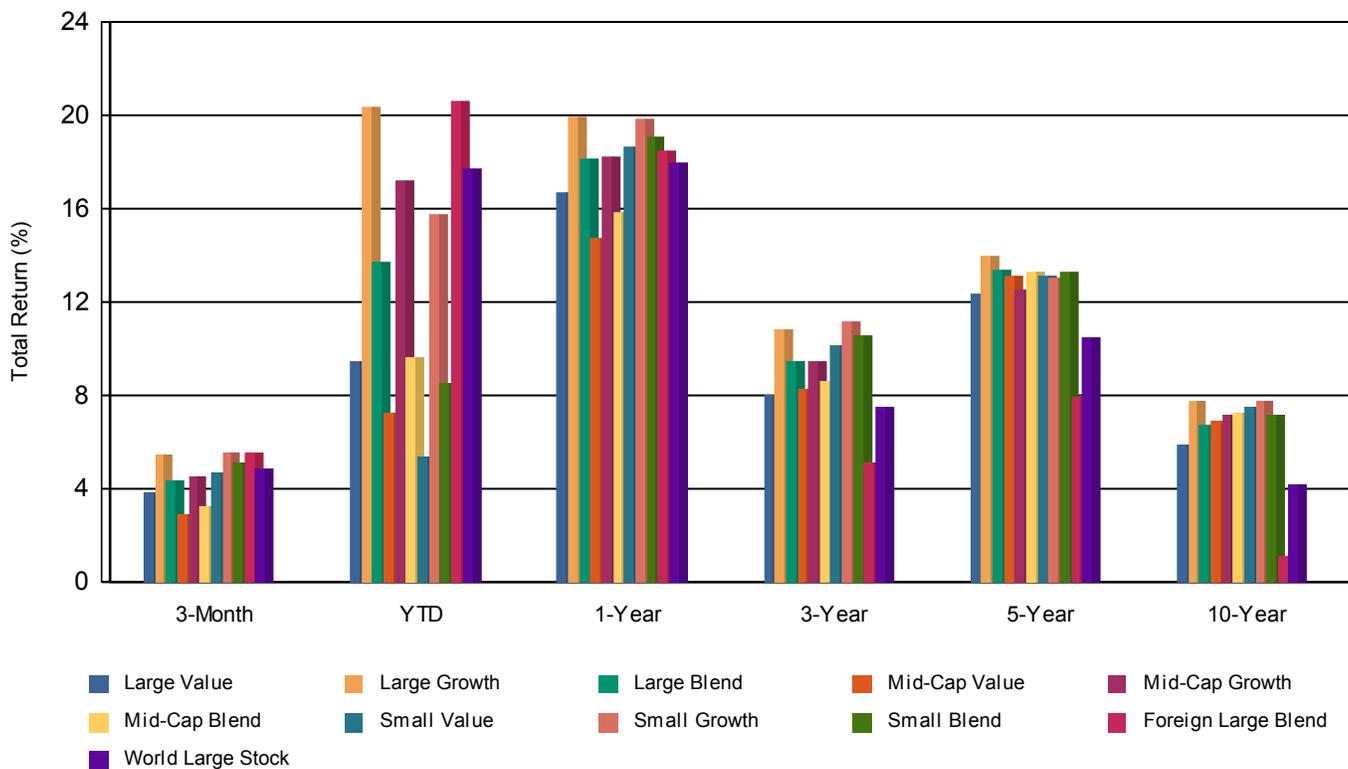
Returns are based on the median mutual fund/ETF manager for each respective peer group.

Investors should consider the investment objectives, risks, and charges and expenses of a fund carefully before investing. Prospectuses containing this and other information about the fund are available by contacting your financial consultant. Please read the prospectus carefully before investing to make sure that the fund is appropriate for your goals and risk tolerance. The performance information shown represents past performance and is not a guarantee of future results. The investment return and principal value of an investment will fluctuate so that the shares, when redeemed, may be worth more or less than their original cost. The performance information shown reflects performance without adjusting for sales charges. If adjusted for sales charges, the load would reduce the performance quoted. Current performance may be lower or higher than the performance information shown.

Performance Summary - Equity

(Total Returns)

Mutual Fund/ETF Peer Group	3-Month	YTD	1-Year	3-Year	5-Year	10-Year
Large Value	3.81%	9.47%	16.66%	8.03%	12.34%	5.84%
Large Growth	5.43%	20.31%	19.90%	10.76%	13.98%	7.72%
Large Blend	4.35%	13.67%	18.08%	9.44%	13.37%	6.74%
Mid-Cap Value	2.92%	7.25%	14.68%	8.24%	13.10%	6.92%
Mid-Cap Growth	4.49%	17.21%	18.22%	9.41%	12.53%	7.13%
Mid-Cap Blend	3.20%	9.58%	15.86%	8.59%	13.23%	7.23%
Small Value	4.69%	5.35%	18.61%	10.08%	13.07%	7.47%
Small Growth	5.50%	15.78%	19.86%	11.13%	12.99%	7.75%
Small Blend	5.08%	8.48%	19.05%	10.56%	13.31%	7.14%
Foreign Large Blend	5.54%	20.62%	18.47%	5.07%	7.88%	1.08%
World Large Stock	4.84%	17.67%	17.97%	7.44%	10.45%	4.15%



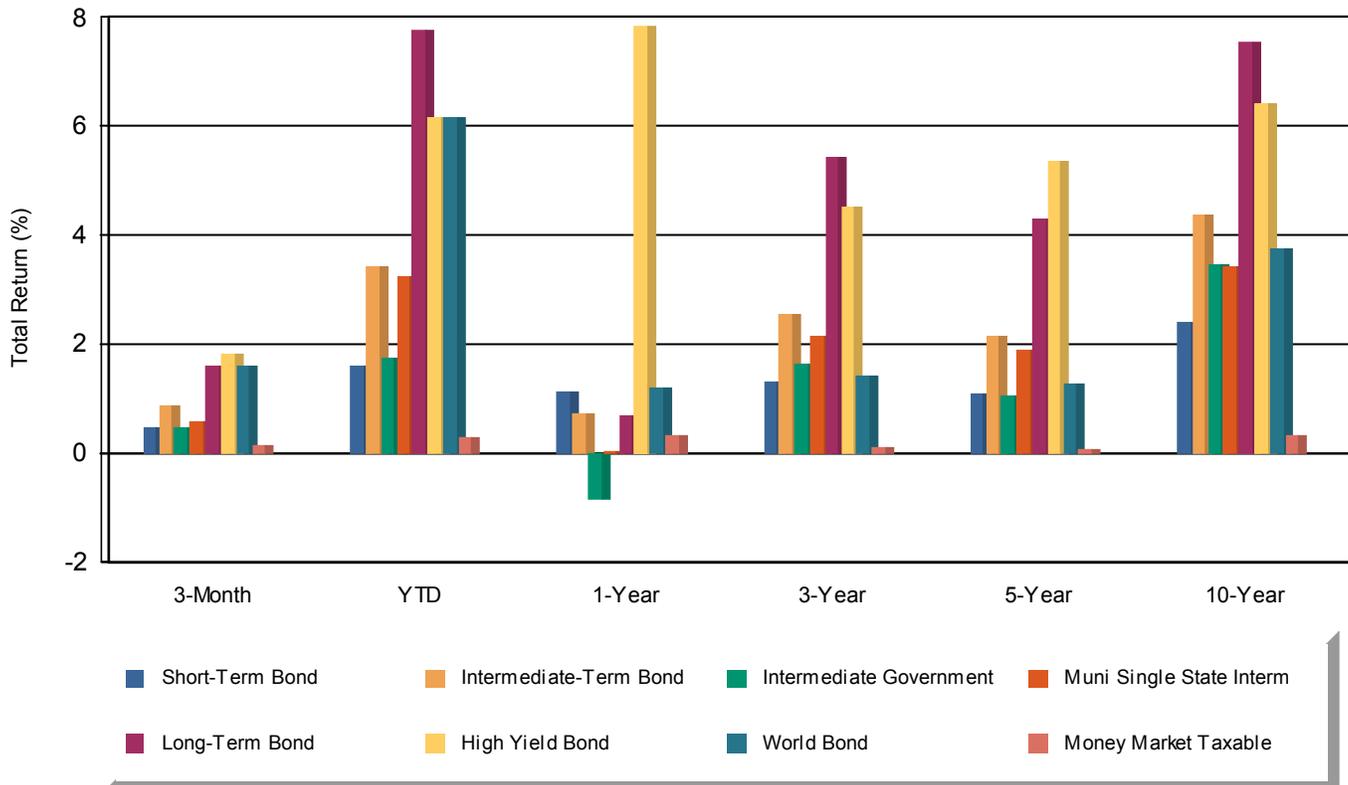
Returns are based on the median mutual fund/ETF manager for each respective peer group.

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Performance Summary - Fixed Income

(Total Returns)

Mutual Fund/ETF Peer Group	3-Month	YTD	1-Year	3-Year	5-Year	10-Year
Short-Term Bond	0.46%	1.60%	1.12%	1.31%	1.10%	2.41%
Intermediate-Term Bond	0.85%	3.43%	0.70%	2.55%	2.15%	4.36%
Intermediate Government	0.48%	1.75%	-0.85%	1.63%	1.04%	3.44%
Muni Single State Interm	0.59%	3.23%	0.01%	2.14%	1.90%	3.43%
Long-Term Bond	1.58%	7.76%	0.67%	5.40%	4.30%	7.52%
High Yield Bond	1.81%	6.15%	7.83%	4.50%	5.34%	6.40%
World Bond	1.58%	6.16%	1.20%	1.41%	1.27%	3.76%
Money Market Taxable	0.14%	0.29%	0.31%	0.11%	0.06%	0.32%



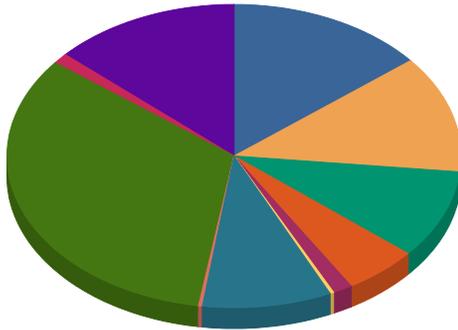
Returns are based on the median mutual fund/ETF manager for each respective peer group.

Investors should consider the investment objectives, risks, and charges and expenses of a fund carefully before investing. Prospectuses containing this and other information about the fund are available by contacting your financial consultant. Please read the prospectus carefully before investing to make sure that the fund is appropriate for your goals and risk tolerance. The performance information shown represents past performance and is not a guarantee of future results. The investment return and principal value of an investment will fluctuate so that the shares, when redeemed, may be worth more or less than their original cost. The performance information shown reflects performance without adjusting for sales charges. If adjusted for sales charges, the load would reduce the performance quoted. Current performance may be lower or higher than the performance information shown.

Holdings Summary

Investment Name	Peer Group	Ticker	Type	\$ Amount Invested	Percentage	Action
Large-Cap Equity				794,264.11		
SSqA Active US Large Cap Blend NL Series Fund	Large Blend		Custom	49,229.64	0.87	-
SSqA S&P 500 Index SL Series Fund Class IX	Large Blend		Custom	317,829.06	5.64	-
Alger Capital Appreciation Instl I	Large Growth	ALARX	MF	203,964.87	3.62	-
American Century Income and Growth A	Large Value	AMADX	MF	223,240.54	3.96	-
Mid-Cap Equity				705,142.37		
SSqA S&P Mid Cap Index Fund Class J	Mid-Cap Blend		Custom	10,465.69	0.19	-
T. Rowe Price Mid-Cap Value R	Mid-Cap Value	RRMVX	MF	388,353.65	6.89	-
Nuveen Mid Cap Growth Opps A	Mid-Cap Growth	FRSLX	MF	306,323.03	5.43	Watch
Small-Cap Equity				528,950.79		
SSqA Russell Small Cap Index SL Series Fund Cla	Small Blend		Custom	54,913.18	0.97	-
Victory Integrity Small-Cap Value A	Small Value	VSCVX	MF	278,289.65	4.94	-
Franklin Small Cap Growth A	Small Growth	FSGRX	MF	195,747.96	3.47	Watch
Developed International Equity				298,420.93		
SSqA International Index SL Series Fund Class VI	Foreign Large Blend		Custom	53,208.09	0.94	-
Oppenheimer Global A	World Large Stock	OPPAX	MF	179,426.21	3.18	-
Oppenheimer International Growth A	Foreign Large Growth	OIGAX	MF	18,678.89	0.33	-
MFS International New Discovery R3	Foreign Small/Mid Growth	MIDHX	MF	43,363.87	0.77	Watch
T. Rowe Price International Value Eq Adv	Foreign Large Value	PAIGX	MF	3,743.87	0.07	-
Emerging Market Equity				81,801.15		
Oppenheimer Developing Markets A	Diversified Emerging Mkts	ODMAX	MF	81,801.15	1.45	-
Real Estate				14,098.43		
Deutsche Real Estate Securities A	Real Estate	RRRAX	MF	14,098.43	0.25	-
Intermediate Fixed Income				516,758.87		
PIMCO Income A	Multisector Bond	PONAX	MF	122,024.84	2.17	-
Pioneer Bond A	Intermediate-Term Bond	PIOBX	MF	371,345.34	6.59	-
PIMCO Real Return A	Inflation-Protected Bond	PRTNX	MF	23,388.69	0.41	Watch
High Yield Fixed Income				25,749.72		
Prudential High-Yield A	High Yield Bond	PBHAX	MF	25,749.72	0.46	-
Allocation				1,852,221.54		
SSqA Aggressive Strategic Balanced SL SF Class	Allocation--70% to 85%		Custom	9,220.14	0.16	-
SSqA Conservative Strategic Balanced SL SF Clas	Allocation--30% to 50%		Custom	303.05	0.01	-
SSqA Moderate Strategic Balanced SL SF Class V	Allocation--50% to 70%		Custom	5,120.71	0.09	-
American Century One Choice In Ret A	Target-Date Retirement	ARTAX	MF	157,845.73	2.80	-
George Putnam Balanced M	Allocation--50% to 70%	PGEMX	MF	70,248.96	1.25	-
American Century One Choice 2020 A	Target-Date 2020	ARBMX	MF	132,111.25	2.34	-
American Century One Choice 2030 A	Target-Date 2030	ARCMX	MF	82,136.15	1.46	Watch
Thornburg Investment Income Builder R4	World Allocation	TIBGX	MF	62,892.73	1.12	Watch
American Century One Choice 2040 A	Target-Date 2040	ARDMX	MF	167,343.54	2.97	Watch
American Century One Choice 2055 A	Target-Date 2055	AREMX	MF	172,391.35	3.06	Watch
American Century One Choice 2035 A	Target-Date 2035	ARYAX	MF	431,897.57	7.66	Watch
American Century One Choice 2050 A	Target-Date 2050	ARFMX	MF	212,204.30	3.77	Watch
American Century One Choice 2025 A	Target-Date 2025	ARWAX	MF	87,810.98	1.56	Watch
American Century One Choice 2045 A	Target-Date 2045	AROAX	MF	260,695.08	4.63	Watch
Other / Specialty				69,030.69		
Franklin Utilities A	Utilities	FKUTX	MF	69,030.69	1.22	-
Stable Value / Money Market				749,687.47		
Invesco Stable Value Fund	Stable Value		Custom	749,687.47	13.30	-
Total				\$5,636,126.07	100%	

Holdings Summary (Cont.)



Large-Cap Equity	\$794,264	14.1%
Mid-Cap Equity	\$705,142	12.5%
Small-Cap Equity	\$528,951	9.4%
Developed International Equity	\$298,421	5.3%
Emerging Market Equity	\$81,801	1.5%
Real Estate	\$14,098	0.3%
Intermediate Fixed Income	\$516,759	9.2%
High Yield Fixed Income	\$25,750	0.5%
Allocation	\$1,852,222	32.9%
Other / Specialty	\$69,031	1.2%
Stable Value / Money Market	\$749,687	13.3%
Total:	\$5,636,126	100.0%

Fi360 Fiduciary Score® Scatter Plot

The fi360 Fiduciary Score is a peer percentile ranking of an investment against a set of quantitative due diligence criteria selected to reflect prudent fiduciary management. The criteria include total returns, risk-adjusted returns, expenses, and other portfolio statistics. Investments are ranked according to their ability to meet due diligence criteria every month. The rank becomes the fi360 Fiduciary Score. The fi360 Fiduciary Score Average is a one-, three-, five- or ten-year rolling average of an investments fi360 Fiduciary Score. The fi360 Fiduciary Score represents a suggested course of action and is not intended, nor should it be used, as the sole source of information for reaching an investment decision. Visit the Glossary or fi360.com/fi360-Fiduciary-Score for more information.

ID	Investment Name (Ticker)	Type	fi360 Fiduciary Score					\$ Amount	Action
			Score	Average					
Investments Shown in the Scatter Plot									
				1 Yr	3 Yr	5 Yr	10 Yr		
1	Prudential High-Yield A (PBHAX)	MF	0	0	0	4	3	25,749.72	-
		# of Peers	667	619	491	413	259		
2	PIMCO Income A (PONAX)	MF	0	2	1	1	-	122,024.84	-
		# of Peers	287	242	194	159			
3	Pioneer Bond A (PIOBX)	MF	0	13	12	12	9	371,345.34	-
		# of Peers	947	910	777	691	441		
4	Oppenheimer Global A (OPPAX)	MF	0	10	18	16	18	179,426.21	-
		# of Peers	794	726	552	466	224		
5	Deutsche Real Estate Securities A (RRRAX)	MF	0	12	25	25	18	14,098.43	-
		# of Peers	257	235	216	176	120		
6	Franklin Utilities A (FKUTX)	MF	10	5	8	14	16	69,030.69	-
		# of Peers	60	58	56	54	45		
7	T. Rowe Price Mid-Cap Value R (RRMVX)	MF	11	9	21	29	22	388,353.65	-
		# of Peers	405	370	320	278	170		
8	Alger Capital Appreciation Instl I (ALARX)	MF	22	11	7	5	7	203,964.87	-
		# of Peers	1,406	1,334	1,143	1,007	652		
9	American Century One Choice In Ret A (ARTAX)	MF	26	24	15	10	19	157,845.73	-
		# of Peers	164	153	132	115	40		
10	American Century Income and Growth A (AMADX)	MF	27	41	24	18	34	223,240.54	-
		# of Peers	1,235	1,139	961	858	548		
11	Oppenheimer Developing Markets A (ODMAX)	MF	29	36	22	13	12	81,801.15	-
		# of Peers	718	580	446	290	134		
12	George Putnam Balanced M (PGEMX)	MF	36	37	22	28	55	70,248.96	-
		# of Peers	795	766	637	546	334		
13	Oppenheimer International Growth A (OIGAX)	MF	49	42	21	14	9	18,678.89	-
		# of Peers	371	339	292	260	142		
14	Victory Integrity Small-Cap Value A (VSCVX)	MF	51	24	20	19	19	278,289.65	-
		# of Peers	368	352	320	259	155		
15	American Century One Choice 2020 A (ARBMX)	MF	51	46	24	22	-	132,111.25	-
		# of Peers	215	199	166	133			
16	American Century One Choice 2030 A (ARCMX)	MF	56	52	39	36	-	82,136.15	Watch
		# of Peers	215	199	166	133			
17	Thornburg Investment Income Builder R4 (TIBGX)	MF	57	40	27	17	-	62,892.73	Watch
		# of Peers	452	411	319	244			
18	T. Rowe Price International Value Eq Adv (PAIGX)	MF	62	52	23	17	19	3,743.87	-
		# of Peers	297	276	230	191	90		
19	American Century One Choice 2040 A (ARDMX)	MF	62	62	31	28	-	167,343.54	Watch
		# of Peers	215	199	166	133			
20	MFS International New Discovery R3 (MIDHX)	MF	62	41	39	30	18	43,363.87	Watch
		# of Peers	124	118	104	96	46		
21	American Century One Choice 2055 A (AREMX)	MF	63	56	32	-	-	172,391.35	Watch
		# of Peers	175	141	81				
22	Nuveen Mid Cap Growth Opps A (FRSLX)	MF	63	58	43	32	24	306,323.03	Watch
		# of Peers	616	590	517	460	292		
23	PIMCO Real Return A (PRTNX)	MF	64	60	53	44	37	23,388.69	Watch
		# of Peers	243	215	171	133	73		
24	American Century One Choice 2035 A (ARYAX)	MF	65	65	44	42	27	431,897.57	Watch
		# of Peers	188	168	124	91	18		

Fi360 Fiduciary Score® Scatter Plot (Cont.)

ID	Investment Name (Ticker)	Type	fi360 Fiduciary Score					\$ Amount	Action
			Score	Average					
				1 Yr	3 Yr	5 Yr	10 Yr		
25	American Century One Choice 2050 A (ARFMX)	MF	66	56	29	24	-	212,204.30	Watch
		# of Peers	208	192	157	107			
26	American Century One Choice 2025 A (ARWAX)	MF	67	66	47	41	27	87,810.98	Watch
		# of Peers	188	168	124	91	18		
27	Franklin Small Cap Growth A (FSGRX)	MF	69	55	34	22	23	195,747.96	Watch
		# of Peers	690	625	547	496	319		
28	American Century One Choice 2045 A (AROAX)	MF	76	64	34	30	19	260,695.08	Watch
		# of Peers	188	168	120	90	11		

Investments Not Shown in the Scatter Plot (Both a fi360 Fiduciary Score and Average (3-Year) are required.)

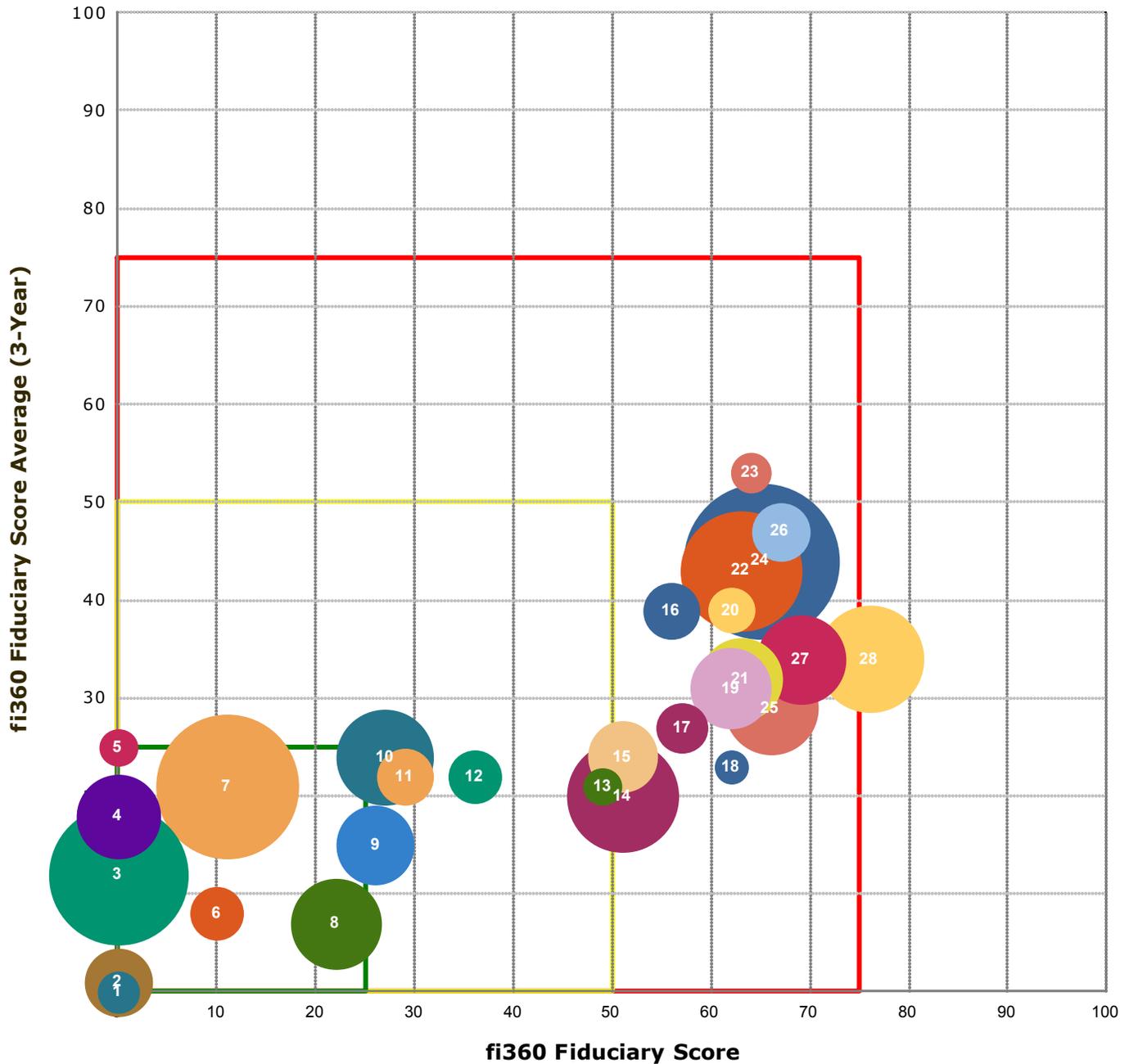
Invesco Stable Value Fund	Custom	-	-	-	-	-	-	749,687.47	-
SSgA Active US Large Cap Blend NL Series Fund Class J	Custom	-	-	-	-	-	-	49,229.64	-
SSgA Aggressive Strategic Balanced SL SF Class VII	Custom	-	-	-	-	-	-	9,220.14	-
SSgA Conservative Strategic Balanced SL SF Class VIII	Custom	-	-	-	-	-	-	303.05	-
SSgA International Index SL Series Fund Class VIII	Custom	-	-	-	-	-	-	53,208.09	-
SSgA Moderate Strategic Balanced SL SF Class VII	Custom	-	-	-	-	-	-	5,120.71	-
SSgA Russell Small Cap Index SL Series Fund Class VIII	Custom	-	-	-	-	-	-	54,913.18	-
SSgA S&P 500 Index SL Series Fund Class IX	Custom	-	-	-	-	-	-	317,829.06	-
SSgA S&P Mid Cap Index Fund Class J	Custom	-	-	-	-	-	-	10,465.69	-

fi360 Fiduciary Score® Scatter Plot (Cont.)

fi360 Fiduciary Score Scatter Plot

The chart plots each scored investment using the fi360 Fiduciary Score Average (3-Year) on the vertical axis and the fi360 Fiduciary Score on the horizontal axis. Green, yellow and red lines are drawn to highlight the different fi360 Fiduciary Score quartiles. Investments in the bottom left corner of the chart have a better Score.

Bubble sizes are based on the \$ amount invested. | Bubble numbers refer to the Investment ID's on the previous page.



Worknet Pinellas 401(k) Plan Committee Meeting

December 5, 2017

Independent Fiduciary Advisor

- ▶ An objective process used for the selection of top ranked funds for your plan menu
- ▶ On-going monitoring of the funds
- ▶ Periodic replacement if a fund falls below our criteria

Investment Fund Review Process

- Inception Date of the fund – 3 years
- Investment Manager Tenure – 2 years
- Assets Under Management - \$75 million
- Composition – investment's allocation is its primary asset class
- Style – current Morningstar style box matches peer group
- Net Expense Ratio – must place in the top 75%
- Alpha – must place in the top 50% of its peer group
- Sharpe – must place in the top 50% of its peer group
- 1 Year Return – must place in the top 50%
- 3 Year Return – must place in the top 50%
- 5 Year Return – must place in the top 50%

Fi360 Fiduciary Score Process

PITTSBURGH , March 21, 2014 /[PRNewswire](#)/ -Independent study from MacroRisk Analytics confirms the fi360 Fiduciary Score has strong correlation to investment performance

the fi360 Fiduciary Score® methodology for investment due diligence has been found to contain statistically significant content for the mutual fund portfolio construction process, according to a recent MacroRisk Analytics study. Using data from December 31, 2000 through March 31, 2013 , MacroRisk Analytics, a leading researcher in macroeconomic financial analysis, evaluated the observed relationship between various scores and future outcomes for mutual fund performance...

Recommended Fund Changes

Legend													
A Current		B Proposed				Both Both A & B							
Investment Name	Inception		Type	Investment Return % (Load-adjusted)				Prospectus Expense Ratio		Load		12b-1 Fee	
	Product	Share Class		1-Year	5-Year	10-Year	Since Inceptio	Net	Gross	Max Front	Max Deferred		
Mid-Cap Equity													
A Nuveen Mid Cap Growth Opps A (FRSLX) - Contractual expense waiver of 0.05. Expires on 2018-2-28.	12/28/1989	01/09/1995	MF	16.96	11.63	6.79	10.20	1.17	1.22	Waived	-	0.25	
B Eagle Mid Cap Growth A (HAGAX)	08/20/1998	08/20/1998	MF	23.65	15.36	9.17	11.83	1.17	1.17	Waived	-	0.25	
Small-Cap Equity													
A Franklin Small Cap Growth A (FSGRX) - Contractual expense waiver of 0.02. Expires on 2018-9-1.	05/01/2000	05/01/2000	MF	12.38	13.62	8.38	7.08	1.10	1.12	Waived	-	0.25	
B Janus Henderson Triton S (JGMIX)	02/25/2005	07/06/2009	MF	21.05	15.65	10.56	17.89	1.18	1.18	-	-	0.25	

Recommended Fund Changes

Investment Name	Inception			Investment Return % (Load-adjusted)				Prospectus Expense Ratio		Load		12b-1 Fee
	Product	Share Class	Type	1-Year	5-Year	10-Year	Since Inceptio	Net	Gross	Max Front	Max Deferred	
Allocation												
A American Century One Choice 2020 A (ARBMX)	05/30/2008	05/30/2008	MF	7.71	6.22	N/Av	5.05	1.02	1.05	Waived	-	0.25
A American Century One Choice 2025 A (ARWAX)	08/31/2004	08/31/2004	MF	8.69	6.81	4.64	6.37	1.04	1.07	Waived	-	0.25
A American Century One Choice 2030 A (ARCMX)	05/30/2008	05/30/2008	MF	9.79	7.49	N/Av	5.36	1.06	1.10	Waived	-	0.25
A American Century One Choice 2035 A (ARYAX)	08/31/2004	08/31/2004	MF	10.91	8.18	4.85	6.98	1.09	1.12	Waived	-	0.25
A American Century One Choice 2040 A (ARDMX)	05/30/2008	05/30/2008	MF	12.04	8.83	N/Av	5.97	1.11	1.14	Waived	-	0.25
A American Century One Choice 2045 A (AROAX)	08/31/2004	08/31/2004	MF	13.14	9.44	5.21	7.48	1.14	1.17	Waived	-	0.25
A American Century One Choice 2050 A (ARFMX)	05/30/2008	05/30/2008	MF	13.92	9.71	N/Av	6.10	1.17	1.21	Waived	-	0.25
A American Century One Choice 2055 A (AREMX)	03/31/2011	03/31/2011	MF	14.44	10.00	N/Av	8.73	1.17	1.22	Waived	-	0.25
A American Century One Choice In Ret A (ARTAX)	08/31/2004	08/31/2004	MF	7.21	5.66	4.63	5.41	1.02	1.04	Waived	-	0.25
A Thornburg Investment Income Builder R4 (TIBGX) - Contractual expense waiver of 0.08. Expires on 2018-4-10.	12/24/2002	02/01/2008	MF	12.72	7.06	4.64	5.42	1.61	1.69	-	-	0.25
B Goldman Sachs Growth Strategy A (GGSEX)	01/02/1998	01/02/1998	MF	16.72	8.85	3.07	4.93	1.38	1.44	Waived	-	0.25
B T. Rowe Price Retirement 2005 R (RRTLX)	02/27/2004	05/31/2007	MF	6.90	5.45	4.30	4.24	1.08	1.08	-	-	0.50
B T. Rowe Price Retirement 2010 R (RRTAX)	09/30/2002	10/31/2003	MF	7.88	6.15	4.36	6.08	1.07	1.07	-	-	0.50
B T. Rowe Price Retirement 2015 R (RRTMX)	02/27/2004	05/31/2007	MF	9.45	7.20	4.71	4.60	1.09	1.09	-	-	0.50
B T. Rowe Price Retirement 2020 R (RRTBX)	09/30/2002	10/31/2003	MF	11.50	8.28	4.98	6.98	1.13	1.13	-	-	0.50
B T. Rowe Price Retirement 2025 R (RRTNX)	02/27/2004	05/31/2007	MF	13.19	9.20	5.21	5.06	1.17	1.17	-	-	0.50
B T. Rowe Price Retirement 2030 R (RRTCX)	09/30/2002	10/31/2003	MF	14.73	9.99	5.42	7.67	1.19	1.19	-	-	0.50
B T. Rowe Price Retirement 2035 R (RRTPX)	02/27/2004	05/31/2007	MF	16.02	10.57	5.58	5.41	1.22	1.22	-	-	0.50
B T. Rowe Price Retirement 2040 R (RRTDX)	09/30/2002	10/30/2003	MF	17.03	10.95	5.77	7.94	1.24	1.24	-	-	0.50
B T. Rowe Price Retirement 2045 R (RRTRX)	05/31/2005	05/31/2007	MF	17.41	11.02	5.81	5.64	1.24	1.24	-	-	0.50
B T. Rowe Price Retirement 2050 R (RRTFX)	12/29/2006	12/29/2006	MF	17.40	11.02	5.81	6.28	1.24	1.24	-	-	0.50
B T. Rowe Price Retirement 2055 R (RRTVX)	12/29/2006	05/31/2007	MF	17.35	11.03	5.80	5.63	1.24	1.24	-	-	0.50
B T. Rowe Price Retirement 2060 R (TRRXZ)	06/23/2014	06/23/2014	MF	17.33	N/Av	N/Av	6.97	1.24	1.24	-	-	0.50

Recommended Fund Changes

Current Legend

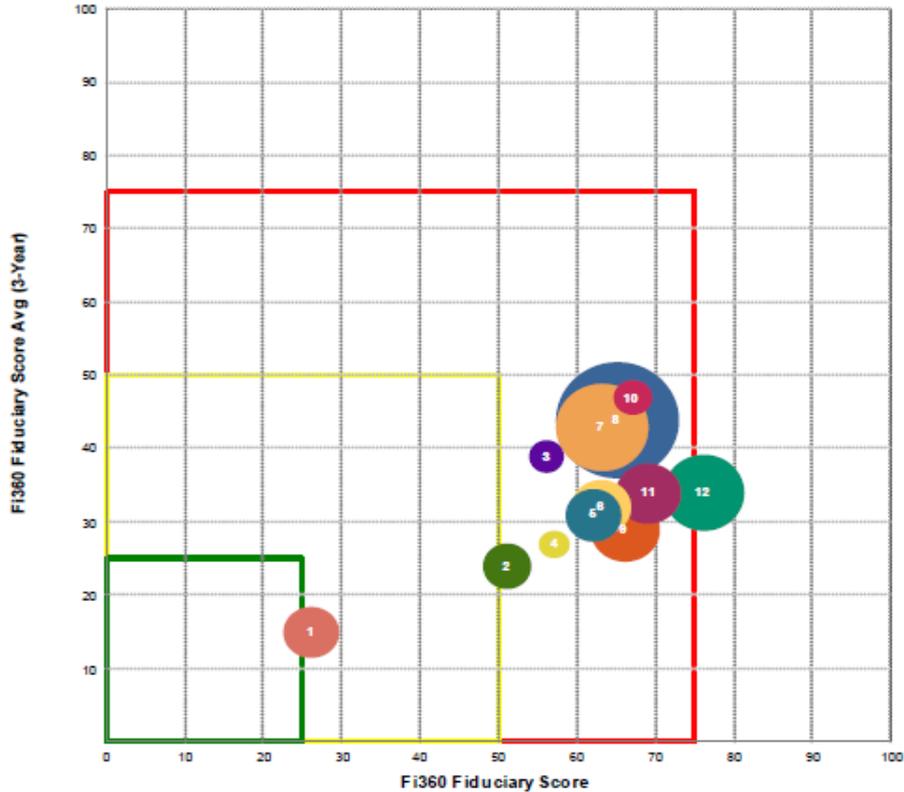
(ID) Investment Name (Ticker)	fi360 Fiduciary Score				\$ Amount
	Score	# of Peers	Avg (3 Yr)	# of Peers	
Investments Shown in the Scatter Plot					
1 - American Century One Choice In Ret A (ARTAX)	26	164	15	132	157,845.73
2 - American Century One Choice 2020 A (ARBMX)	51	215	24	166	132,111.25
3 - American Century One Choice 2030 A (ARCMX)	56	215	39	166	82,136.15
4 - Thornburg Investment Income Builder R4 (TIBGX)	57	452	27	319	62,892.73
5 - American Century One Choice 2040 A (ARDMX)	62	215	31	166	167,343.54
6 - American Century One Choice 2055 A (AREMX)	63	175	32	81	172,391.35
7 - Nuveen Mid Cap Growth Opps A (FRSLX)	63	616	43	517	306,323.03
8 - American Century One Choice 2035 A (ARYAX)	65	188	44	124	431,897.57
9 - American Century One Choice 2050 A (ARFMX)	66	208	29	157	212,204.30
10 - American Century One Choice 2025 A (ARWAX)	67	188	47	124	87,810.98
11 - Franklin Small Cap Growth A (FSGRX)	69	690	34	547	195,747.96
12 - American Century One Choice 2045 A (AROAX)	76	188	34	120	260,695.08

Proposed Legend

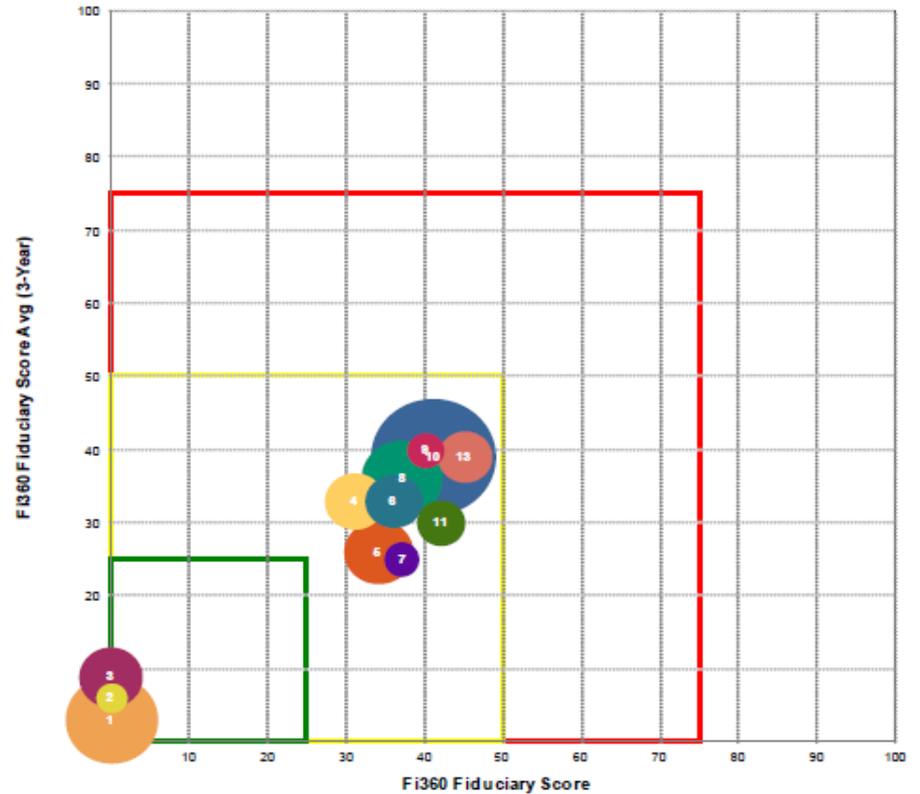
(ID) Investment Name (Ticker)	fi360 Fiduciary Score				\$ Amount
	Score	# of Peers	Avg (3 Yr)	# of Peers	
Investments Shown in the Scatter Plot					
1 - Eagle Mid Cap Growth A (HAGAX)	0	616	3	517	306,323.03
2 - Goldman Sachs Growth Strategy A (GGSAX)	0	452	6	319	62,892.73
3 - Janus Henderson Triton S (JGMIX)	0	690	9	547	195,747.96
4 - T. Rowe Price Retirement 2055 R (RRTVX)	31	175	33	81	172,391.35
5 - T. Rowe Price Retirement 2050 R (RRTFX)	34	208	26	157	212,204.30
6 - T. Rowe Price Retirement 2040 R (RRTDX)	36	215	33	166	167,343.54
7 - T. Rowe Price Retirement 2030 R (RRTCX)	37	215	25	166	82,136.15
8 - T. Rowe Price Retirement 2045 R (RRTRX)	37	188	36	120	260,695.08
9 - T. Rowe Price Retirement 2025 R (RRTNX)	40	188	40	124	87,810.98
10 - T. Rowe Price Retirement 2035 R (RRTPX)	41	188	39	124	431,897.57
11 - T. Rowe Price Retirement 2020 R (RRTBX)	42	215	30	166	132,111.25
12 - T. Rowe Price Retirement 2015 R (RRTMX)	44	106	37	70	-
13 - T. Rowe Price Retirement 2010 R (RRTAX)	45	104	39	76	157,845.73
14 - T. Rowe Price Retirement 2005 R (RRTLX)	74	104	63	76	-
Investments NOT Shown in the Scatter Plot					
T. Rowe Price Retirement 2060 R (TRRZX)	29	42	-	-	-

Recommended Fund Changes

Current Scatter Plot



Proposed Scatter Plot





Chad Simpson

Miller Electric Company

Chad Simpson is the Regional Director for Central Florida at Miller Electric Company. He graduated from Western Carolina University with a BS in Biology and an MBA in Business Administration at the University of South Florida. In his role as Regional Director, Chad is actively involved in visiting high schools and other educational facilities, speaking to both students and parents regarding the amazing potential that exists in the construction industry.

He has been in the construction/ electrical field for over 20 years, and has held various positions throughout his career, from Market Development Manager to Director of Contractor Sales. Chad is currently a member of the St. Pete Chamber of Commerce and also serves on the Advisory council for P-Tech, formally Career Academies of Seminole.

