

**Board of Directors**  
 Agenda

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  - 6. Science Center Committee .....Russell Leggette (Don Shepherd)
- VIII. Interim Executive Director’s Report** ..... Jennifer Brackney
- IX. Public Comments**  
*In accordance with the Sunshine Law, all meetings of WorkNet Pinellas, Inc. and its committees are open to the public. Members of the public who wish to comment must submit a public comment card to the recorder prior to the designated Public Comment segment.*
- X. Open Discussion**
- XI. Adjournment**

Science Center Committee – October 10, 2018  
 Board of Directors – October 17, 2018 (Interviews)  
 Finance Committee – October 23, 2018



## **Approval of Consent Agenda**

**Consent Agenda of Executive Committee Meeting  
09/05/2018**

**Actions Approved At CareerSource Pinellas Executive Committee Meeting**  
*Any Board Member shall have the ability to request that an action be brought forth for discussion at the meeting. If no such request is made, the actions shall stand.*

**CareerSource Pinellas  
Consent Agenda of Executive Committee Meeting  
09/05/2018**

**Actions Approved At CareerSource Pinellas Executive Committee Meeting**

*This consent agenda will be presented for approval at the next Board of Directors meeting. Any Board Member shall have the ability to request that an action be brought forth for discussion at the meeting. If no such request is made, the actions shall stand.*

**Date:** September 5, 2018 at 11:00am  
**Location:** 13805 58<sup>th</sup> Street North

**Call to Order**

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

**Committee Members in attendance**

David Fetkenher, Jack Geller, Comm. Patricia Gerard, Barclay Harless, John Howell (phone), Karla Leavelle, Russell Leggette, Michael Meidel, Scott Wagman.

**Committee Members not in attendance**

Michael Gliner

**Staff Present**

Jennifer Brackney, Don Shepherd, Deborah Budaj, Luna Clarke, April Torregiante, Steven Blakey.

**Board Counsel:** Charles Harris – Trenam Law

**Guest (s):**

Whitney Creech - Office of Comm. Gerard

**Chair's Report**

1. The Chairman report was distributed at the meeting as the Newsletter handout.
2. Moving forward, the Consent Agenda of previous items discussed by the Executive Committee will be presented at every board meeting for approval. There will no longer be a 5-day deadline to approve the actions taken by the Executive Committee. Alternatively, any Board Member shall have the ability to request that an action be brought forth for discussion at the meeting. If no such request is made, the actions shall stand.

**Action Items**

**1. Approval of Minutes**

The minutes of the August 1, 2018 Executive Committee meeting were presented for approval.

Motion: Commissioner Gerard

Second: Michael Meidel

*The minutes were approved as presented. The motion carried unanimously.*

**2. MOU Amendment: CareerSource Pinellas and the Florida Department of Education, Division of Vocational Rehabilitation**

The Workforce Innovation and Opportunity Act of 2014 relies heavily on the One-Stop delivery system to coordinate resources and to prevent duplication and ensure effective and efficient delivery of workforce services in Pinellas County. This Memorandum of Understanding (MOU) establishes joint processes and procedures that enable Partner integration into the One-Stop Delivery System resulting in a seamless and comprehensive array of education, human service, job training, and other workforce development services to persons with disabilities in Pinellas County. The Infrastructure Funding Agreement (IFA) establishes a financial plan, including terms and conditions, to fund the services and operating costs of the One-Stop customer delivery system. Both parties to this IFA agree that joint funding is a necessary

foundation for an integrated service delivery system. The proposed MOU amendment is required in order to establish a term date for the MOU between CareerSource Pinellas and the Florida Department of Education, Division of Vocational Rehabilitation of June 30, 2020, where previously there was an automatic one-year renewal term. This MOU was originally approved by the CareerSource Pinellas board in June 2016 and the Board of County Commissioners on February 7, 2017. The attached IFA contains the following adjustments from the previously approved IFA:

1. Section VI (page 4 of 7) – added the following language: “*Payment will be made in a single payment during the final quarter of each program year this IFA is in effect.*”

2. Section XIV Governance removed, which previously stated: “*The accountability and responsibility for the One-Stop career center system's organizational activity and accomplishments will rest with CareerSource. Pursuant to the Act CareerSource shall conduct oversight with respect to the One-Stop delivery system. Any dispute concerning this IFA will be resolved in accordance with CareerSource's Grievance/Complaint and Hearing/Appeal Procedures QA-010.*”

3. Section XV, Payment Methodology (page 6 of 7), added to the IFA calling for an invoice to be issued in the final quarter for the entire sum.

Motion: Commissioner Gerard

Second: Barclay Harless

*The Executive Committee recommends Approval of the amended MOU and IFA. Subsequently, it will be forwarded to the Pinellas Board of County Commissioners for final approval. The motion carried. Mr. John Howell abstained from voting, as a representative of the FL Department of Education, Division of Vocational Rehab.*

### **3. Communication with Pinellas County Inspector General**

**Background:** At the August 1, 2018 Executive Committee meeting, an action item was presented, requesting to engage the services of Powell & Jones CPAs to review the incentives given to Business Services staff, during a 13-month period, from July 1, 2016 to August 1, 2017. The Executive Committee recommended tabling this item until a determination and/or quote is received from the Pinellas County Inspector General (Clerk of the Court), regarding whether to engage in an expanded review and how much it would cost for their office to conduct a review of the Business Services Incentives

**Outcome:** As requested, management communicated with the Pinellas County Inspector General regarding the matter. Inspector Collazo's answer reads in part: “*The [Powell & Jones] report cited above contains sufficient evidence to form an opinion, and auditing another sample may not provide additional benefit, considering the engagement cost and action already taken by management. However, should the CareerSource Pinellas Board want us to perform a limited scope audit, we would require signing a memorandum of understanding, and request access to the entire work product of Powell & Jones. Due to our current workload, the earliest date we could start the engagement is September 24, 2018.*”

The full memo from the Pinellas County Inspector General was attached.

*The previously tabled action item of August 1, 2018 is deemed “dead” for lack of a motion. It was also suggested that the board enlist the assistance of the office of the Pinellas County Inspector General in the future to conduct the organization's internal controls audit. The item will be presented to the Audit Committee for further discussion, and a recommendation (if any) will come from them.*

### **4. Request for Proposals: One-Stop Operator**

A Request for Proposals for One Stop Operator was issued on July 3, 2018 to solicit proposals from companies to provide services required of a One-Stop Operator. The One-Stop Operator will coordinate the service delivery of participating one-stop partners and service providers within the career centers. This RFP was publicized via multiple avenues, including notices in the Tampa Times and to interested bidders. The proposals were due on August 9, 2018. Two proposals were received, respectively from Complete Technology Solutions and Kaiser Group d/b/a Dynamic Workforce Solutions. Both proposals met the submission requirements. A selection committee consisted of staff members met on August 14<sup>th</sup> to discuss their independent evaluations. The scores received are listed below:

Proposers	Total Score (Max. points 500)
Kaiser Group d/b/a Dynamic Workforce Solutions	441
Complete Technologies Solutions	412

Motion: Barclay Harless

Second: Commissioner Gerard

Members discussed that the One-Stop Operator should be able to manage the internal monitoring process of the company, as a third party. It was also suggested that the Operator presents any monitoring report directly to the Board of Directors.

*The Executive Committee recommends approval to enter into contract negotiations with Kaiser Group d/b/a Dynamic Workforce Solutions for One-Stop Operator Services. The motion carried unanimously.*

**5. Annual Financial Audit For the Fiscal Year Ended June 30, 2018**

**This item is pulled out of the consent agenda to be a separate action item. It will be discussed at the meeting.**

**6. Feasibility of selling the Science Center property**

At the August 31, 2018 Science Center Committee meeting, members discussed the feasibility of selling the Science Center property. Members discussed the various services provided to customers at the Science Center location and had a preliminary discussion on whether or not to keep or sell the property. After a thorough discussion, the Science Center Committee members recommended to conduct an appraisal of the Science Center loan through the current financial institution serving as the note-holder. This appraisal would be for the purpose of determining possible options to refinance the property.

Members further discussed whether there are any benefits for the organization to keep the science center. If not, there is the open option to sell the property. Several training programs and classes take place at the facility, if we were to sell the property, a new location would be needed to house those programs. The Science Center committee is entrusted with making a decision on the future of the property and recommending a course of action to the board. Members suggested that management attend to the safety issues that can be addressed at this time. Those issues are related to the roofing, the air conditioning filters, and the electrical panels. A follow-up will be done to contact an expert on mold abatement. Staff to contact the financial institution (Hancock-Whitney) and let them know of our intention to perform an appraisal for the purpose of possible refinancing.

Motion: Commissioner Gerard

Second: David Fetkenher

*The Executive Committee recommends approval to conduct an appraisal of the Science Center through the current financial institution serving as the note-holder. This appraisal would be for the purpose of determining possible options to refinance the property. This motion carried unanimously.*

**Other Administrative Matters**

There are none.

**Information Items**

**1. Transition Update & Timeline**

WorkNet Pinellas, Inc. voted to approve a transition deadline of September 1st 2018 as requested by CareerSource Tampa Bay. As a result, WorkNet Pinellas, Inc. sent WARN layoff notices to all CareerSource Tampa Bay staff and shared services staff that WorkNet Pinellas, Inc. would no longer employ these employees as of August 31, 2018. Those employees affected received a WARN layoff notice as required by law on June 29, 2018. Both organizations worked to ensure the 133 employees who received a WARN Notice were aware of and could apply for available positions. As part of the staffing

plan, CSPIN offered employment letters to 13 shared staff, including MIS, Finance and Business Services. All accepted the letter of employment, except for the four Finance staff: Director of Finance, Senior Accountant, Accountant and Finance Specialist. As a result, we immediately secured an interim CFO consultant, Deborah Budaj to ensure strong fiscal operations. A search committee is underway to hire a Chief Executive Officer (CEO) and Chief Financial Officer (CFO). We have been committed to creating two separate organizations, each focused on meeting the needs of their respective community. This transition has not impacted the continuity of services to businesses or job seekers. We are excited about the opportunities ahead to improve and enhance our teams' focus on meeting the unique needs of the businesses in our individual communities and collaborating as necessary to achieve shared goals for the larger economic region. We recognize that times of transition are stressful for staff, even as we look forward to building stronger organizations. Each local workforce development board, working in partnership with the county commissions of Pinellas and Hillsborough counties, are building organizations dedicated to accountability, integrity and transparency as well as exemplary customer service that improves lives. Again, the vital day-to-day work supporting businesses in Pinellas and Hillsborough counties with their recruiting, hiring and training needs and residents with career guidance and placement assistance has not been interrupted during this transition. We are committed to continuing to work together to support each organization as we move forward. We wish to thank our staff for their patience and hard work as we complete a smooth and successful transition.

### **Committee Reports**

**CEO Search Committee:** The search Committee met this morning at 9:30am. They discussed the qualifications of the candidates that were presented for consideration. Four candidates were selected to be interviewed further. The Committee will be conducting Skype interviews of the candidates on September 12, 2018, here at the Epicenter. The CFO candidates will be screened by the current Interim Executive Director, the interim CFO and the Board Treasurer.

**Audit Committee:** The audit firm of Powell & Jones, CPAs has completed the annual financial audit for WorkNet Pinellas, Inc. for the fiscal year ended June 30, 2018. This item was discussed at the 08-28-18 Audit Committee meeting, and also presented at this Executive Committee meeting. Mr. Powell will be present at the September Board meeting to answer any questions.

**Compensation Committee Report:** The Compensation Committee is scheduled to meet immediately after this Executive meeting. The committee will discuss compensation for the Business Services team.

**Workforce Solutions Committee:** The Workforce Solutions Committee met on August 7<sup>th</sup>. Members discussed the performance of the various training vendors, as well as the Targeted Occupations List for the 18-19 Program Year. The chair of the committee has called for a meeting to be held on September 11<sup>th</sup>, to discuss ways to improve our outreach to customers, address brand marketing and discuss ways to cater to the workforce needs of the region.

**One-Stop Committee:** The One Stop Committee met on August 23<sup>rd</sup>. At that meeting, the committee approved the recommendation to select Kaiser Group as the new one-stop operator. Kaiser Group received the higher scores of the two submissions that were received for that proposal. This item was also presented at this meeting. The DEO reporting for quarter 4 shows Pinellas with a total of 18,404 placements reported for program year 2017-2018 through year end. The average ranking for the Pinellas region for the program year was 4<sup>th</sup> in the state of Florida.

**Science Center Committee:** The Science Center Committee met on 08/31/18. During the meeting, members discussed the feasibility of selling the property and after much discussion, recommended that an appraisal of the loan be made, for the purpose of refinancing the property. CSPIN hired a building inspector to assess the current structural condition of the Science Center of Pinellas. The property inspection was conducted by National Property Inspections and the full report is available on our website.

**Summer Camp 2018:** Summer Camp ended on August 10, 2018 at the Science Center. Over 500 youth were served during the 12-weeks of camp this year. Several community-based organizations helped us enrich our camp program: St. Pete Astronomy Club, Suncoast Herpetology Society, St. Petersburg Forensic Science Department, WFLA Meteorology team, Florida Fish and Wildlife Conservation

Commission, South Pasadena Fire Department, St. Pete Fire and Rescue, as well as a baker, a music producer and an exterminator.

**Public Comments**

There were none.

**Open Discussion**

The September board meeting has been re-scheduled to September 18, 2018 at 11:45 a.m., due to the Yom Kippur holiday.

**Adjournment**

The meeting adjourned at approximately 12:15 pm.

**Actions Approved At CareerSource Pinellas Executive Committee Meeting**  
*This consent agenda will be presented for approval at the next Board of Directors meeting. Any Board Member shall have the ability to request that an action be brought forth for discussion at the meeting. If no such request is made, the actions shall stand.*

<b>Actions Request: The Executive Committee requested that these follow-up actions be taken.</b>
<ul style="list-style-type: none"><li>• <b>To be addressed by the Science Center Committee</b></li></ul>
<ul style="list-style-type: none"><li>○ Appraisal for the purpose of refinancing (Contact the bank)</li><li>○ What classes/courses do we want to keep? Can we downsize?</li><li>○ Address issues of AC filters, roof, electric panels and mold</li></ul>
<ul style="list-style-type: none"><li>• <b>To be addressed by the Audit Committee</b></li></ul>
<ul style="list-style-type: none"><li>○ Discuss whether to enlist Pinellas OIG help when conducting internal controls audit in the future.</li><li>○ One-Stop operator should manage internal monitoring process, and present monitoring report to Board of Directors</li></ul>
<ul style="list-style-type: none"><li>• <b>Consent Agenda:</b> There will no longer be a 5-day deadline to approve the actions taken by the Executive Committee. Alternatively, any Board Member shall have the ability to request that an action be brought forth for discussion at the meeting. If no such request is made, the actions shall stand</li></ul>



## **ACTION/DISCUSSION ITEMS**

**CareerSource Pinellas  
Board of Directors Minutes**

Date: Wednesday, July 18, 2018 at 11:45 a.m.  
Location: EpiCenter: 13805 58<sup>th</sup> Street N. Clearwater, FL 33760

**Call to Order**

Chair Jack Geller called the meeting to order at 11:47 a.m. There was a quorum present with the following board members participating.

**Board Members in attendance**

Vivian Amadeo, William Apple, Jody Armstrong, Candida Duff, James England, Jack Geller, Commissioner Patricia Gerard, Michael Gliner, Barclay Harless, Andrea Henning, John Howell, Mark Hunt, Carolyn King, Samuel Kolapo (phone), Adrian LaTrace, Dr. William Law, Russell Leggette, Kay McKenzie, Michael Meidel, Rebecca Sarlo, Scott Wagman, Zachary White, Glenn Willocks.

**Board Members not in attendance**

Justin Bean, Celeste Fernandez, David Fetkenher, David Fries, Michael Jalazo, Jack Jarrell, Karla Leavelle, Kim Marston, Ronald Morgan, Debbie Passerini, Chad Simpson, Kenneth Williams.

**Board Counsel**

Charles Harris

**Guests**

Whitney Creech – Pinellas County  
Zachary Sampson and Mark Puente – Tampa Bay Times

**Staff in attendance**

Jennifer Brackney, Donald Shepherd, Sheila Doyle, April Torregiante, Luna Clarke, Linsey Stiglic, Steven Blakey.

**Chair's Report**

The Chair's report was provided in the form of the July Newsletter handout.

**Action Item 1 – Approval of Minutes**

The minutes of the June 27, 2018 Board of Directors meeting were presented for approval.

Motion: Patricia Gerard

Second: Michael Gliner/ Scott Wagman

*The minutes were approved as presented. This motion carried.*

**Action Item 2 – Local Targeted Occupations List (TOL)**

The Department of Economic Opportunity's (DEO) Bureau of Labor Market Statistics (LMS) published the 2018-2019 Statewide Demand Occupational Lists on the Department's website. The Statewide Demand Occupations list identifies the labor market needs of Florida's business community and encourages job training based on those needs, with emphasis on jobs that are both in high demand and high skill/high wage, and is used as a baseline for establishing the local Targeted Occupations List (TOL). The Local Workforce Development Boards (LWDBs) develop and use their TOLs to identify occupations for which eligible adults and dislocated workers may receive training assistance under the Workforce Innovation and Opportunity Act (WIOA).

A TOL must be updated when occupations are deleted or added. Each LWDB must update and publish the updated TOL to its website and submit a link to DEO by July 31, 2018.

**Process:** Staff reviewed the new 2018-19 Regional Demand Occupations List for Pinellas County against the current Regional Targeted Occupational List (RTOL). Staff identified several occupational areas that dropped from the new 2018-19 Regional Demand Occupations List that they are recommending to add back on the list due to ongoing demand for occupational skills training, Paid-Work Experience, and On-the-Job training programs

Motion: Michael Meidel

Second: Scott Wagman

*The Board of Directors approves the adoption of the expanded 2018-19 Regional Demand Occupations for CSPIN comprised of the DEO 2018-19 Regional Demand Occupational List and the additional demand occupations. It was suggested that the TOL be reviewed by the Workforce Solutions Committee, to determine whether other categories should be added to the list for Region 14. This motion carried.*

### **Action Item 3 – Negotiating LWDB Performance Goals**

Under the DOL Training and Employment Guidance Letter (TEGL) WIOA No. 9-17, the Department of Labor (DOL) in partnership with other partner federal agencies have aligned the primary indicators of performance and created an initial statistical adjustment model. The six primary indicators of performance will include:

- Employment Rate – 2<sup>nd</sup> Quarter After Exit
- Employment Rate – 4<sup>th</sup> Quarter After Exit
- Median Earnings – 2<sup>nd</sup> Quarter After Exit
- Credential Attainment
- Measurable Skills Gains (TBA - baseline)
- Effectiveness in Serving Employers (TBA - baseline)

Once goals are negotiated, then a modification to the local plan for 3<sup>rd</sup> and 4<sup>th</sup> years will be required. A state or an LWDB is considered to have met their Common Measures goals when hitting 90% or higher of their negotiated goals. Staff submitted by July 16, 2018 or the DEO/CSF deadline their acceptance or alternate during the negotiations process. DEO directive was received on July 6<sup>th</sup> COB. Pursuant to negotiation of goals, the DEO provided a 5-year analysis using WIOA modeling which is included in exhibit. Staff has also included LWDB performance for PY 2017/2018 through Quarter 3 as reported thru DEO.

Motion: Patricia Gerard

Second: Andrea Henning

*The Board of Directors approves the DEO/CSF negotiated goals for PY 2018/2019 and PY2019/2020 which fall within acceptable range of performance based upon the 5-year DEO analysis and current PY2017/2018 performance. This motion carried.*

### **Other Administrative Matters**

There were no administrative matters.

### **Information Items**

**Information Item 1: Transition Timeline:** WorkNet Pinellas, Inc. voted to approve a transition deadline of September 1<sup>st</sup> 2018 as requested by CareerSource Tampa Bay. As a result, WorkNet Pinellas, Inc. sent WARN layoff notices to all CareerSource Tampa Bay staff and shared services staff that WorkNet Pinellas, Inc. will no longer employ any of these employees as of August 31, 2018. Those employees affected received a WARN layoff notice as required by law on June 29, 2018. Both organizations are working to ensure approximately 100 employees who will be leaving WorkNet Pinellas are aware of and can apply for positions that will be needed at CareerSource Tampa Bay. The approximately 30 additional

positions shared by the two organizations are being considered in terms of the needs of each organization as we move forward. Approximately 80 state employees who work for the two organizations are not affected and will continue to assist customers through the transition. We are committed to creating two separate organizations, each focused on meeting the needs of their community. This transition will not impact the continuity of services to businesses or job seekers. We are excited about the opportunities ahead to improve and enhance our teams' focus on meeting the unique needs of the businesses in our individual communities and collaborating as necessary to achieve shared goals for the larger economic region. We recognize that times of transition are stressful for staff, even as we look forward to building stronger organizations. Each local workforce development board, working in partnership with the county commissions of Pinellas and Hillsborough counties, are building organizations dedicated to accountability, integrity and transparency as well as exemplary customer service that improves lives. Again, the vital day-to-day work supporting businesses in Pinellas and Hillsborough counties with their recruiting, hiring and training needs and residents with career guidance and placement assistance will not be interrupted during this next step in this important and necessary process. We wish to thank our staff for their patience and hard work as we work toward a smooth and successful transition. **Update – 7/17/2018:** As part of the staffing plan, CSPIN offered continued employment letters to 12 shared staff, including MIS, Finance and Business Services. All accepted the letter of employment, except for the three Finance staff: Director of Finance, Senior Accountant and Finance Specialist. We will work on an interim finance plan to hire a Finance Consultant and post the CFO and Senior Accountant positions. A search committee will be formed to begin the process of hiring the President/CEO.

**Follow-up:** Board Members requested to have a list of open positions available at CSPIN, and the job descriptions. Members also requested to be included in the selection of the Chief Financial Officer.

#### **Information Item 2: Ad Hoc Committee – Search Committee for President and CEO**

As part of the transition, a search committee will be needed to search for a new President/CEO for CSPIN. This committee will evaluate prospective candidates for the position, and make recommendations to the full Board of Directors. The following members are kindly being asked to join this search committee: Karla Leavelle, Jack Geller, Commissioner Patricia Gerard, Andrea Henning and Mike Meidel.

**Follow-up:** Mr. Michael Meidel has agreed to chair the CEO Search Committee. Mr. Michael Glinter requests to be added on the Search committee. It was also recommended that the selected candidates would attend a Board of Directors Meeting and have a chance to answer questions from the Board. Request to provide the specific criteria needed to fill the President/CEO role, based on the criteria being used by the other LWDBs.

#### **Information Item 3: Board Counsel Update**

Board Counsel provided some background information regarding the Shared Services Agreement that was previously approved and signed between CSTB and CSPIN back in 2012. Counsel is combining the two documents to include each party's responsibilities. Request that Board Counsel present the compiled "Shared Services Agreement" at the next Executive Committee. All board members are invited to attend this meeting and discuss the Shared Services Agreement.

There are currently 3 pending lawsuits against Worknet Pinellas. Board Counsel will provide more information at the upcoming Executive Committee.

#### **Information Item 4: Financial Update for period ended May 31, 2018**

The Financial report summary for period ended May 31, 2018 was presented to the board. CareerSource Pinellas has expended about 70% of its budget.

**Information Item 5: Survey Results:** On July 9, 2018 Board Members were asked to participate in a brief online survey, to determine the best meeting day/time for future Board Meetings. As of July 16<sup>th</sup>, 27 participants contributed and the results are as follows:

- 93% responded that Wednesday worked best for their schedule
- 62% wanted to keep the current 11:45am meeting time; and 42% suggested a 9:00am meeting time.
- 77% did not want to change the meetings to another weekday.

The schedule for future Board and Committee meetings is provided as an attachment. The next Board meeting is scheduled for September 19, 2018.

### **Committee Reports**

1. Audit Committee: The audit firm Powell and Jones has conducted a review of internal controls and procedures during the month of May. The information was presented at the 6/27/18 Board meeting, and is included in the Orientation binders. An Audit Meeting will be scheduled later this month, to approve the Engagement Letter to begin the fieldwork on the Financial Statement Audit for Fiscal Year Ended 6/30/2018. The team will also discuss the annual 401(k) audit for calendar year 12/31/2017. The Audit Committee will also address the gift cards that were given to employees in the past, and how to address the taxes related to those items.
2. Finance Committee: The Financial Update for Period Ended May 31, 2018 was provided in the packet. The next Finance Committee will meet on July 24, 2018
3. Compensation Committee: Since the last Compensation meeting on April 12, 2018: The Director of HR, Alice Cobb retired on July 12<sup>th</sup>. The HR Consultant, Terri Casey with Engagement Advisors started on July 16<sup>th</sup>. Her main focus will be to assist with the transition activities, assess the current HR capabilities, participate in the posting and review of position, assist with any outstanding HR issues, and transition the administrative contracts. The current business services incentives will be suspended on August 30<sup>th</sup>. We will be scheduling a meeting in July/August to review the business service incentive and compensation plan. The committee will make recommendations to the Board. Request to obtain salary information from the various regions, regarding the salary range for job descriptions within the BS team.
4. Science Center Committee: The next Science Center Committee meeting is scheduled for August 31, 2018 at the Tyrone Center. We are in the process of requesting bids to acquire the services of a Building Inspector, as was discussed at the last meeting. Summer Camp at the Science Center will run through August 10, 2018. To date, there are over 500 students who have either participated in camp or are registered to attend future weeks. Interested parents can still enroll their children to participate by registering online at the Science Center of Pinellas website.

### **Interim Director's Report**

None.

### **Public Comments**

Chairman requests to add an "Open Discussion" section on the Agenda, after the public comments section, to allow for board dialogue. There are 3 at large seats available to fill on the Executive Committee. Chairman will notify the board members selected to fill them.

### **Adjournment**

The meeting was adjourned at approximately 12:43 p.m.



## **Action Item 2**

### **Annual Financial Audit For the Fiscal Year Ended June 30, 2018**

#### **Information**

The audit firm of Powell & Jones, CPAs has completed the annual financial audit for WorkNet Pinellas, Inc. for the fiscal year ended June 30, 2018.

Enclosed is a copy of the audit report. Representatives from the firm presented the results to the Audit Committee on August 28, 2018.

#### **Recommendation**

The Executive Committee recommends approval of the Annual Financial Audit for the fiscal year ended June 30, 2018.

**WORKNET PINELLAS, INC.**

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

**June 30, 2018 and 2017  
(With Independent Auditor's Report Thereon)**

# WORKNET PINELLAS, INC.

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## 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, 2018, and the related statements 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.

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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, 2018 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*

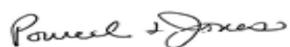
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 August 21, 2018 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.

## **Report on Summarized Comparative Information**

We have previously audited WorkNet Pinellas, Inc.'s 2017 financial statements, and our report dated November 22, 2017 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



**POWELL & JONES**  
**Certified Public Accountants**  
**August 21, 2018**

**WORKNET PINELLAS, INC.**

**Statements of Financial Position**

**June 30, 2018 and 2017**

Assets	2018	2017
Current assets:		
Cash and cash equivalents	\$ 728,107	\$ 722,326
Accounts receivable	42,143	30,639
Grants receivable	808,087	1,462,826
Inventory	2,925	1,643
Prepaid expenses	220,719	207,169
Total current assets	<u>1,801,981</u>	<u>2,424,603</u>
Noncurrent assets:		
Restricted cash	312,989	345,271
Loan costs, net	4,498	7,749
Endowment investments	10,062	9,691
Property and equipment, net	2,620,542	2,654,026
Total noncurrent assets	<u>2,948,091</u>	<u>3,016,737</u>
Total assets	<u>\$ 4,750,072</u>	<u>\$ 5,441,340</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	1,219,790	1,806,672
Deferred revenue	31,041	30,130
Deferred grant revenue	79,593	65,573
Debt	46,485	43,730
Total current liabilities	<u>1,376,909</u>	<u>1,946,105</u>
Noncurrent liabilities:		
Debt	625,072	671,557
Total noncurrent liabilities	<u>625,072</u>	<u>671,557</u>
Total liabilities	2,001,981	2,617,662
Net assets		
Unrestricted	2,361,781	2,391,960
Unrestricted - Board designated	312,989	345,271
Temporarily restricted	63,259	76,756
Permanently restricted	10,062	9,691
Total net assets	<u>2,748,091</u>	<u>2,823,678</u>
Total liabilities and net assets	<u>\$ 4,750,072</u>	<u>\$ 5,441,340</u>

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

**WORKNET PINELLAS, INC.**

**Statements of Activities**

**Year Ended June 30, 2018  
(With Comparative Totals for 2017)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2018	2017
Revenues and support:					
Grants					
Federal	\$ 11,335,224	\$ -	\$ -	\$ 11,335,224	\$ 13,228,484
State	399,713	-	-	399,713	2,500,000
Local	117,741	-	-	117,741	164,368
Usage Fee	70,942	-	-	70,942	-
Contribution and sponsorship revenue	112,902	3,500	-	116,402	112,026
Educational program tuition and fees	234,813	-	-	234,813	242,946
Other revenue	838,474	-	371	838,845	204,871
Inkind revenue	-	-	-	-	31,400
Total revenues and support	<u>13,109,809</u>	<u>3,500</u>	<u>371</u>	<u>13,113,680</u>	<u>16,484,095</u>
Expenses:					
Program services					
Workforce development	12,348,182	-	-	12,348,182	15,428,152
Supporting services					
General and administrative	824,088	16,997	-	841,085	828,648
Total expenses	<u>13,172,270</u>	<u>16,997</u>	<u>-</u>	<u>13,189,267</u>	<u>16,256,800</u>
Change in net assets	(62,461)	(13,497)	371	(75,587)	227,295
Net assets at beginning of year	2,737,231	76,756	9,691	2,823,678	2,596,383
Net assets at end of year	<u>\$ 2,674,770</u>	<u>\$ 63,259</u>	<u>\$ 10,062</u>	<u>\$ 2,748,091</u>	<u>\$ 2,823,678</u>

**WORKNET PINELLAS, INC.**

**Statements of Functional Expenses**

**Year Ended June 30, 2018  
(With Comparative Totals for 2017)**

Expenses	Workforce development	General and administrative	Total	
			2018	2017
Salaries	\$ 5,077,656	\$ 315,243	\$ 5,392,899	\$ 6,406,602
Retirement	197,512	13,971	211,483	280,619
Payroll taxes and fringe	387,516	23,158	410,674	479,100
Staff training and education	11,254	863	12,117	16,173
Accounting and professional	76,123	206,078	282,201	175,112
Community outreach	188,617	8,590	197,207	222,451
License, dues, and other fees	36,106	1,733	37,839	39,408
Communications	121,196	9,313	130,509	165,835
Office expenses	275,325	10,783	286,108	500,207
Occupancy	389,250	31,096	420,346	492,292
Travel	49,340	2,211	51,551	83,545
Meetings and conferences	75,775	213	75,988	48,194
Other expense	5,562	11,528	17,090	10,066
Contract labor	355,283	22,163	377,446	327,874
Insurance	122,905	17,024	139,929	143,170
Service provider contracts	2,001,302	-	2,001,302	2,494,924
Customer training	2,906,518	-	2,906,518	4,202,453
Inkind expense	-	-	-	31,400
Interest expense	-	34,753	34,753	35,305
Usage fee	70,942	-	70,942	-
Loss on disposal	-	3,182	3,182	-
Depreciation and amortization	-	129,183	129,183	102,070
<b>Total Expenses</b>	<b>\$ 12,348,182</b>	<b>\$ 841,085</b>	<b>\$ 13,189,267</b>	<b>\$ 16,256,800</b>

**WORKNET PINELLAS, INC.**

**Statements of Cash Flows**

**Year Ended June 30, 2018 and 2017**

Cash flows from operating activities:	<u>2018</u>	<u>2017</u>
Change in net assets	\$ (75,587)	\$ 227,295
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	125,932	98,819
Loss on disposal	3,182	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(11,504)	112,528
(Increase) decrease in grants receivable	654,739	(94,173)
(Increase) decrease in inventory	(1,282)	2,275
(Increase) in prepaid expenses	(13,550)	33,048
Decrease in loan costs	3,251	3,251
Decrease (increase) in accounts payable and accrued liabilities	(586,882)	398,701
Decrease (increase) in deferred revenue	911	(13,187)
Increase in deferred grant revenue	14,020	63,637
Net cash provided by operating activities	<u>113,230</u>	<u>832,194</u>
Cash flows from investing activities:		
Purchase of investments	(371)	(618)
Acquisition of property and equipment	<u>(95,630)</u>	<u>(198,989)</u>
Net cash used in investing activities	<u>(96,001)</u>	<u>(199,607)</u>
Cash flows from financing activities:		
Payments on debt	<u>(43,730)</u>	<u>(41,149)</u>
Net cash used in financing activities	<u>(43,730)</u>	<u>(41,149)</u>
Net (decrease) increase in cash	(26,501)	591,438
Cash, beginning of year	<u>1,067,597</u>	<u>476,159</u>
Cash, end of year	\$ <u>1,041,096</u>	\$ <u>1,067,597</u>
Supplement disclosures:		
As shown on Statement of Financial Position:		
Cash and cash equivalents	\$ 728,107	\$ 722,636
Restricted cash	<u>312,989</u>	<u>345,271</u>
Cash, end of year	\$ <u>1,041,096</u>	\$ <u>1,067,907</u>
Interest paid	\$ <u>34,753</u>	\$ <u>35,305</u>

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

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# WORKNET PINELLAS, INC.

## Notes to Financial Statements

Year Ended June 30, 2018 and 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
- Youthbuild
- Supplemental Nutrition Assistance Programs
- AmeriCorps Member Support
- Mechatronics Program

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.

#### (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

## WORKNET PINELLAS, INC.

### Notes to Financial Statements - Continued

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

##### (b) Basis of Presentation - Continued

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 and accrued paid time off. For the years ended June 30, 2018 and 2017, the capital improvements to building were \$175,676 and \$36,346, respectively, and accrued paid time off were \$242,047 and \$308,925, respectively.
- 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 statements 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 Statements 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 statements of financial position.

**(g) Accounts Receivable**

Accounts receivable represents amounts due from employer services agreement, service provider contract, insurance reimbursement, refunds and other miscellaneous customers. Based on historical collections, management believes all receivables are fully collectible.

**(h) Inventory**

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

**(i) 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 statements of financial position at fair value as endowment investments.

**(j) 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.

## WORKNET PINELLAS, INC.

### Notes to Financial Statements - Continued

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

##### (j) Property and Equipment - Continued

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.

##### (k) 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. Usage fee is charged to applicable grants for use of the Science Center building for the fiscal year ending June 30, 2018. For the fiscal year ending June 30, 2017, depreciation expense was charged to applicable funding sources for their fair share. Funds received for Usage fee and depreciation recovered from applicable funding sources were set aside for this purpose. Usage fee recovered from these sources was \$70,942 for the fiscal year ending June 30, 2018. Depreciation expense recovered from these sources was \$36,346 for the fiscal year ending June 30, 2017.

##### (l) 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 \$242,047 and \$308,925 is included as a component of accounts payable and accrued expenses in the Statements of Financial Position at June 30, 2018 and 2017, respectively.

##### (m) Retirement Plan

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

##### (n) 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 years ended June 30, 2018 and 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 2017, 2016 and 2015 are subject to review and adjustment by the Internal Revenue Service.

## WORKNET PINELLAS, INC.

### Notes to Financial Statements - Continued

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

##### (o) 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.

##### (p) Inkind

Inkind revenue and expense 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 donations. For the fiscal year ending June 30, 2018, the contributed services did not meet the criteria for financial statement recognition. For the fiscal year ending June 30, 2017, the contributed services of \$31,400 represent services for teaching, clerical and outreach.

##### (q) 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.

##### (r) 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 statements 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 statements 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.

##### (s) Reclassifications

Certain amounts in the 2017 financial statements have been reclassified to conform to the presentation of the 2018 financial statements.

## WORKNET PINELLAS, INC.

### Notes to Financial Statements - Continued

#### (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.

#### *Fair Value of Financial Instruments*

At June 30, 2018 and 2017, 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 tables summarizes the fair value measurement by level at June 30, 2018 and 2017 for financial assets and liabilities measured at fair value on a recurring basis:

June 30, 2018	Fair Value Measurement at Reporting Date Using		
Beneficial Interest in Assets Held by Others	Level 1	Level 2	Level 3
\$	-	-	10,062

June 30, 2017	Fair Value Measurement at Reporting Date Using		
Beneficial Interest in Assets Held by Others	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 years ended June 30, 2018 and 2017:

	2018	2017
Balance, beginning of year	\$ 9,691	\$ 9,073
Receipts	371	618
Balance, end of year	\$ 10,062	\$ 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, 2018 and 2017:

Federal awards:	<u>2018</u>	<u>2017</u>
U.S. Department of Health and Human Services:		
Temporary Assistance for Needy Families	\$ 97,025	\$ 329,168
U.S. Department of Labor:		
Wagner Peyser	104,832	86,980
Disabled Veterans Outreach Program	18,309	5,193
Local Veterans Employment Representative Program	6,607	5,180
Worforce Innovation and Opportunity Act (WIOA) Cluster:		
WIOA Adult	36,052	475,034
WIOA Dislocated Worker	-	252,748
WIOA Youth	30,435	-
National Emergency Grant - Sector Partnership NEG	29,520	21,000
Job-Driven (JD) National Emergency Grant	-	42,600
Reemployment Services and Eligibility Assessment	12,702	7,025
Unemployment Insurance	1,623	8,636
Trade Adjustment Assistance	81,029	29,918
Youthbuild	31,187	49,284
U.S. Department of Agriculture:		
Supplemental Nutrition Assistance Program	4,363	15,103
Corporation for National & Community Service		
AmeriCorps State	11,143	158
U.S. Department of Commerce		
Manufacturing Extension Partnership Program	-	83,398
Total federal	<u>464,827</u>	<u>1,411,425</u>
State awards:		
Florida Department of Economic Opportunity		
Manufacturing Skills Development	-	10,000
Gulf Coast NCP	-	39,000
Mechatronics Grant	296,612	-
Total state	<u>296,612</u>	<u>49,000</u>
Local award:		
The Juvenile Welfare Board		
Youth Innovators of Pinellas - 2018	8,757	-
Youth Innovators of Pinellas - 2017	-	2,401
Capital Improvement	37,891	-
Total local	<u>46,648</u>	<u>2,401</u>
Total grants receivable	<u>\$ 808,087</u>	<u>\$ 1,462,826</u>

**WORKNET PINELLAS, INC.**

**Notes to Financial Statements - Continued**

**(5) Property and Equipment**

Property and equipment consists of the following at June 30, 2018 and 2017:

	2018	2017
Land	\$ 880,000	\$ 880,000
Equipment	302,598	515,668
Software	7,556	7,556
Buildings and Improvements	1,931,180	1,880,788
Educational Videos	24,600	24,600
Vehicles	70,244	67,513
Construction-In-Progress	-	10,000
Total cost	<u>3,216,178</u>	<u>3,386,125</u>
Accumulated depreciation	<u>(595,636)</u>	<u>(732,099)</u>
	<u>\$ 2,620,542</u>	<u>\$ 2,654,026</u>

Depreciation expense for the years ended June 30, 2018 and 2017 were \$125,932 and \$98,819, respectively.

**(6) Deferred Grant Revenue**

Deferred grant revenue is comprised of the following grant awards at June 30, 2018 and 2017:

	2018	2017
Federal awards:		
U.S. Department of Labor:		
Workforce Innovation and Opportunity Act		
Dislocated Worker	\$ 64,551	\$ -
Youth	-	43,505
Total federal	<u>64,551</u>	<u>43,505</u>
Local awards:		
The Juvenile Welfare Board		
Youth Innovators of Pinellas - 2016	-	1,723
The Able Trust		
Ability Initiative Training Program	15,042	20,345
Total local	<u>15,042</u>	<u>22,068</u>
Total deferred grant revenue	<u>\$ 79,593</u>	<u>\$ 65,573</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, 2018 and 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. In conjunction with this loan, WORKNET incurred loan issuance costs of \$16,032 to be amortized over five years.

## WORKNET PINELLAS, INC.

### Notes to Financial Statements - Continued

#### (7) Debt - Continued

##### Mortgage Payable - Continued

Schedule maturities of the debt and loan issuance costs are as follows:

Year Ended June 30,	<u>Loan</u>	<u>Issuance Cost</u>
2019	\$ 25,458	\$ 3,251
2020	594,346	1,247
	<u>\$ 619,804</u>	<u>\$ 4,498</u>

Interest expense totaled \$29,848 and \$29,500 for the years ended June 30, 2018 and 2017, respectively.

##### 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,	
2019	\$ 21,027
2020	22,741
2021	7,985
	<u>\$ 51,753</u>

Interest expense totaled \$4,905 and \$5,805 for the years ended June 30, 2018 and 2017, respectively.

#### (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.

**WORKNET PINELLAS, INC.**

**Notes to Financial Statements - Continued**

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

Temporary restrictions on net assets as of June 30, 2018 and 2017 relate to the following:

<u>June 30, 2018</u>	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2018</u>
Duke Energy	\$ 50,000	-	-	\$ 50,000
Camp Scholarships	21,756	3,250	11,997	13,009
Iguana Sanctuary	5,000	-	5,000	-
Youthbuild Walmart Donation	-	250	-	250
	<u>\$ 76,756</u>	<u>3,500</u>	<u>16,997</u>	<u>\$ 63,259</u>

<u>June 30, 2017</u>	<u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
Duke Energy	\$ 47,201	50,000	47,201	\$ 50,000
Camp Scholarships	7,241	21,810	7,295	21,756
Iguana Sanctuary	-	5,000	-	5,000
	<u>\$ 54,442</u>	<u>76,810</u>	<u>54,496</u>	<u>\$ 76,756</u>

Permanently restricted net asset as of June 30, 2018 and 2017 of \$10,062 and \$9,691, respectively, relates to investment in Community Foundation of Tampa Bay.

**(10) 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 were \$255,998 and \$301,850, net of sublease income of \$24,945 and \$26,440 for the years ending June 30, 2018 and 2017, respectively. It is comprised of cancelable payments of \$156,912 and \$204,259 for the years ending June 30, 2018 and 2017, respectively, and non-cancelable payments of \$124,031 for the years ending June 30, 2018 and 2017.

Equipment lease payments were \$42,158 and \$63,690 for the years ending June 30, 2018 and 2017, respectively. It is comprised of cancelable \$21,116 and \$8,991 for the years ending June 30, 2018 and 2017, respectively, and non-cancelable payments of \$21,042 and \$54,699 for the years ending June 30, 2018 and 2017, respectively. Minimum future lease payments under non-cancelable facility leases having remaining terms in excess of one year are as follows:

Year Ended June 30,	
2019	166,115
2020	166,115
2021	166,115
2022	166,115
Thereafter	138,059
	<u>\$ 664,460</u>

WORKNET PINELLAS, INC.

Notes to Financial Statements - Continued

(11) **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 \$211,482 and \$280,619 for the years ended June 30, 2018 and 2017, respectively.

(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 \$865,000 and \$1,587,000 for the years ended June 30, 2018 and 2017, respectively.

(12) **Reconciliation of Schedule of Expenditures of Federal Awards Programs and the Statements 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, 2018, no discrepancies were noted. Amounts expended on the Schedule of Expenditures of Federal Awards and State Financial Assistance and revenues and expenses on the statements of activities were determined in accordance with the accrual basis of accounting.

	2018	2017
Total Federal and State Expenditures/Grant Revenue	\$ 11,734,937	\$ 15,728,484
Funds received directly from funding sources not reported in OSMIS	985,150	527,292
Reported in OSMIS	<u>\$ 10,749,787</u>	<u>\$ 15,201,192</u>

(13) **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.

(14) **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.

## WORKNET PINELLAS, INC.

### Notes to Financial Statements - Continued

#### (15) Legal Matters

At year-end, WORKNET is being investigated by certain state and federal agencies regarding its operations and utilization of grant funds. As of the date of the financial statements, these state and federal investigations are ongoing and the final results have not been released. Management believes there are sufficient unrestricted resources to pay any potential claims resulting from these investigations.

WORKNET is also 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. Legal actions that pertain to employment matters are generally covered by WORKNET's liability insurance.

#### (16) 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, 2018, 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 years ended June 30, 2018 and 2017 were approximately \$142,000 and \$1,918,000, respectively, and accounts payable at June 30, 2018 and 2017 were approximately \$29,000 and \$72,000 respectively.

#### (17) Comparative Data

The financial statements include certain prior year summarized information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with WORKNET's financial statements for the year ended June 30, 2017, from which the summarized data was derived.

#### (18) Subsequent Events

##### General

WORKNET has evaluated subsequent events from the statements of financial position date through August 21, 2018 the date the financial statements were available to be issued.

##### Shared Services Agreement

WORKNET and Tampa Bay Workforce Alliance, Inc., d/b/a CareerSource Tampa Bay entered into a shared services agreements in 2011 whereby the two separate and unrelated organizations shared the services of the Chief Executive Officer, other senior management, and certain other administrative services. Under this arrangement, WORKNET was the employer of record for all employees of both organizations, and all shared services costs were equitably allocated based upon services utilized. Effective September 1, 2018, subsequent to year end, these agreements were not renewed.

**SUPPLEMENTAL INFORMATION**

**WORKNET PINELLAS, INC.**

**Schedule of Expenditures of Federal Awards and State Financial Assistance**

**Year Ended June 30, 2018**

<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>
<b>U.S. Department of Health and Human Services</b>				
Passed through the Department of Economic Opportunity:				
Temporary Assistance for Needy Families	93.558	WTS17, WTS18	\$ 3,761,932	\$ 1,522,163
Total U.S. Department of Health and Human Services			<u>3,761,932</u>	<u>1,522,163</u>
<b>U.S. Department of Labor</b>				
Passed through the Department of Economic Opportunity:				
Employment Service Cluster				
Wagner Peyser	17.207	WPA17, WPA18, WPB16, WPB18	636,142	-
Disabled Veterans Outreach Program	17.801	DVP17, DVP18	103,617	-
Local Veterans Employment Representative Program	17.801	LVR17, LVR18	38,976	-
Subtotal Employment Service Cluster			<u>778,735</u>	<u>-</u>
Workforce Innovation and Opportunity Act (WIOA) Cluster				
WIOA - Adult	17.258	WIA17, WIA18, WIS16, WIS17	1,546,323	-
WIOA - Youth	17.259	WIY17, WIY18	1,159,697	479,139
WIOA - Dislocated Worker	17.278	WID17, WID18, WIS18, WRS16, WRS17	2,188,839	-
Subtotal WIA Cluster			<u>4,894,859</u>	<u>479,139</u>
National Emergency - Sector Partnership NEG	17.277	WNJD5	149,520	-
Reemployment Services and Eligibility Assessment	17.225	UCRE7, UCRE8	383,960	-
Unemployment Insurance	17.225	UCB17, UCB18	42,933	-
Subtotal Unemployment Insurance			<u>426,893</u>	<u>-</u>
Trade Adjustment Assistance	17.245	TAT15, TAT16, TAC15, TAC16, TAA15	238,828	-
Subtotal Department of Economic Opportunity			<u>6,488,835</u>	<u>479,139</u>
Youthbuild	17.274	YB-24706-13-60-A-12	412,159	-
Subtotal Direct U.S. Department of Labor			<u>412,159</u>	<u>-</u>
Total U.S. Department of Labor			<u>6,900,994</u>	<u>479,139</u>
<b>U.S. Department of Agriculture</b>				
Passed through the Department of Economic Opportunity:				
Supplemental Nutrition Assistance Program	10.561	FSH17, FSH18	486,959	-
Supplemental Nutrition Assistance Program Employment and Training 50%	10.561	FSF17	12,061	-
Total U.S. Department of Agriculture			<u>499,020</u>	<u>-</u>
<b>Department of Commerce</b>				
Passed through FloridaMakes. Inc.				
FloridaMakes Manufacturing Extension Partnership	11.611	#70NANB15H041	113,545	-
Total U.S. Department of Commerce			<u>113,545</u>	<u>-</u>
<b>Corporation for National &amp; Community Service</b>				
Passed through Florida Commission on Community Service dba Volunteer Florida				
AmeriCorps State	94.006	15AFHFL001	59,733	-
Total Expenditures of Federal Awards			\$ <u>11,335,224</u>	\$ <u>2,001,302</u>
<b>Florida Department of Economic Opportunity</b>				
Mechatronics	40.038	SL035	399,713	-
Total State Financial Assistance			\$ <u>399,713</u>	\$ <u>-</u>

**WORKNET PINELLAS, INC.**

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

**Year Ended June 30, 2018**

**(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, 2018. 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 \$96,000 was purchased using federal grant awards during fiscal year ending June 30, 2018. 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**

**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, 2018, 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 August 21, 2018.

**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.

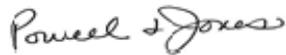
**Compliance and Other Matters**

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**  
**August 21, 2018**

**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, 2018. 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 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 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, 2018.

## 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.

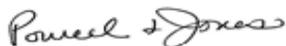
## Report on Internal Control Over Compliance

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**  
**August 21, 2018**

**WORKNET PINELLAS, INC.**  
 SCHEDULE OF FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE  
 FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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**Section I - Summary of Auditor's Results**

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**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 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 Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a) No

Identification of major programs/projects:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	<b><u>U.S. Department of Labor</u></b>
	Employment Service Cluster:
	Wagner-Peyser
	Disabled Veterans Outreach Program
	Local Veterans Employment Representative Program
	National Emergency - Sector Partnership NEG
	Trade Adjustment Assistance
	Youthbuild
	<b><u>U.S. Department of Health and Human Services</u></b>
	Temporary Assistance for Needy Families

Dollar threshold to distinguish between type A and type B Federal Programs \$750,000

Auditee qualified as low-risk auditee? Yes

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**Section II - Financial Statement Findings**

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None

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**Section III - Federal Award Findings and Questioned Costs**

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None

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**Section IV - Summary Schedule of Prior Audit Findings**

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None

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**Section V - Other**

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None



### 3. Business Services Compensation

To the Compensation Committee,

Effective September 1, 2018, Pinellas and Tampa Bay Career Source began operating independently and there are no shared staff. Six of the employees retained by CareerSource Pinellas have been in positions eligible for a monthly incentive. Two of the employees are business account executives and four are recruiters.

For the past few years individuals in these positions have been eligible for a bonus/incentive pay. Typically, the Compensation Committee would not be involved in decisions about pay for specific staff positions, however given the media attention, it is prudent for the Board to provide guidance as to whether this is a practice that should be continued.

Our objective is to provide guidance as to whether such an incentive plan should be continued.

- If we concur the two positions should have an incentive plan, it does not mean we need to accept the existing program. We can accept the existing program or ask the Human Resources consultant to construct a different plan.
- If we concur that the two positions do not need an incentive plan, we will want to consider if the loss of the incentive pay warrants consideration of an adjustment in base pay.

The following is information on the positions.

#### **Account Executives:**

- Current base pay \$45,500
- Last increase to base pay was in 2017
- 2016 average annual incentive earnings (based on calendar year not plan year) \$8,565
- 2017 average annual incentive earnings (based on calendar year not plan year) \$6,398
- 2018 average annual incentive earnings (based on calendar year not plan year) \$100

#### **Recruiters**

- Current base pay \$40,000
- Last increase to base pay for two recruiters was in 2017
- 2016 average annual incentive earnings (based on calendar year not plan year) \$9,930 -- only two recruiters earned incentives
- 2017 -- All four recruiters earning incentives. The range for the calendar year was \$600 - \$9,241
- 2018 -- All four recruiters earning incentives. The range for the calendar year was \$450 - \$2,150

### **Salary Range**

The follow is the salary range for the two positions. The data provided indicates this range was established in 2016. It is unclear the source used to establish the ranges.

Position	Entry	Mid-point	Maximum
Account Executive	\$46,600	\$60,600	\$74,600
Recruiter	\$40,000	\$52,000	\$64,000

### **ATTACHMENTS for your information**

- The 2017-2018 incentive plan is **Attachment A**. This plan had an effective date of July 1, 2017-June 30, 2018. A different plan was in place for the 2016-2017 fiscal year.
- **Attachment B** contains the job descriptions for both positions.

Karla Leavelle  
Compensation Committee Chair

### **Recommendation:**

At this time, the Compensation committee will not reinstate the incentive plan for the Business Services staff.

*The Compensation Committee recommends increasing the base pay for Account Executives to the minimum of the current established pay range for that position, which is \$ 46,600 per year.*



## CSTB & CSPIN - Business Services PY 2017-2018 Staff Performance Incentive Grid Summary

Each position entails job duties and responsibilities which must be met at a minimum if we are to succeed as a department and organization. For Recruiters and Account Executives that perform their job functions at levels exceeding minimum expectations, they have the ability to receive monthly incentives.

Incentive Performance measures have been selected from your job functions that are important to our organization's overall continued success. Meeting the minimum threshold under each performance measure will deem you eligible to begin receiving incentive payments. The incentive payments will be based on individually meeting and exceeding minimum thresholds for all incentivized performance measures, in addition to meeting minimum thresholds for non-incentivized performance measures. Performance incentives are inclusive of all CSTB & CSPIN offices and are subject to change at any time.

The following criteria, limitations and restrictions will be used when calculating incentives on a monthly, quarterly and annual basis:

### General Guidelines

- The Monthly Maximum Incentive Amount is \$1,400 (*\$16,800 yearly maximum*) effective August 1, 2017 to June 30, 2018 and is to be paid on the last pay period of the subsequent month.
- Performance measures for Performance Incentives are defined on the 2017-2018 Staff Performance Incentive Grid.
- After one full month of employment as a recruiter, new hires will be eligible to participate and earn Performance Incentives beginning at month two (2) of employment.
- No dollar amount or metric numbers will carry forward at the end of each quarter. Partial monthly payouts, payout advances, or recouping are not available.
- Staff must meet the minimum threshold under each category in order to become eligible for incentives. Your performance above the minimum threshold will determine which incentive tier amount you meet. Recouping of missed incentives will not be available.
- Staff are expected to meet minimum expectations of all performance measures to include both non-incentivized and incentivized categories. Staff who continually fail to meet minimum performance thresholds for three (3) consecutive months will be subject to disciplinary action. The monthly performance reports will serve as official documentation of incidents as outlined in the WorkNet Pinellas Employee Handbook.
- **For compliance purposes of all state and federal funds, all submitted information on monthly forms will be internally and externally audited. Incentives are not contractual wages. If a staff member, including the Account Executive who is responsible for reviewing and validating individual staff performance, is deemed to have provided any false, misleading, or altered information on the monthly form, it will be considered Fraud resulting in immediate disciplinary action and/or termination.**

### Report Submission Guidelines

- Monthly report submissions, in excel format, are due by the 5<sup>th</sup> to Business Services Reports for initial review by the Audit Team. Upon final review by management, reports will be returned to staff for required signatures and should be sent, in PDF format, by the end of the month to Business Services Reports.
- Do not modify the report template from its original format. Modified forms will be rejected and staff will be reprimanded and required to re-submit.
- Complete the report in its entirety by providing all data requested under each category as to validate your performance. Failure to do so will result in staff receiving no credit for those items that the Audit Team cannot validate. Incomplete or late reports submissions will not be processed and will be ineligible for incentives. If you are in doubt about anything on the form, please direct all questions to your supervisor for clarity prior to submittal.

# CSTB-Business Services

## Account Executive

### Staff Performance Incentive Grid PY 2017-2018

Incentives will be based on a tier system for the following performance measures:

Monthly Staff Incentive Summary	Maximum Monthly	Maximum Annual
<p><b>1. Direct Placements</b>  <i>Credit will only count if the placement is a direct result of a staff referral to a job order in EFM. Placement must be determined eligible, employment verification confirmed (person worked at least one day), and EFM documentation (activity code) completed <u>before</u> placement can be taken. Staff referral made to the job order after start date will not count. Regarding on-site recruiting events, staff referral must be made prior to or up to the date of the event in order to receive credit. (Referring from an on-site recruitment event sign-in sheet is strictly prohibited).</i></p> <p><i>(Excludes Job Development Placements, any and all employer hire lists, on-site hire lists, and OJT/PWE hire lists submitted by employers).</i></p>	500	6000
<p><b>2. New OJT/PWE Contract with Job Order</b>  <i>Signed contract must be from new employers (no previous signed contract) or current employers who have been inactive in OJT/PWE participation for the last 12 months. In order to receive credit, the signed contract must be accompanied with a job order submitted directly by staff and posted to EFM.</i></p>	250	3000
<p><b>3. Job Order Fulfillment (within 30 days)</b>  <i>Job Order must be "max-placed" within 30 calendar days from the date created in EFM as a direct result of a staff referral and direct placement. Only exception given will be when the staff referral and employer hiring decision has been made within the 30 calendar days, however, the official start date is beyond the 30 calendar days. In such case, email documentation will need to be submitted to Audit Team for validation and approval in order to receive credit.</i></p> <p><i>(Excludes Job Development Placements, Obtains, any and all previous or existing employer hire lists, on-site hire lists, and OJT/PWE hire lists submitted by employers).</i></p>	250	3000
<p><b>4. New Employer Hire Lists</b>  <i>Employer Hire list must be submitted directly by staff from a new employer (no previous hire list submitted in last 12 months) to Centralized. In order to receive credit, existing hire lists must be maintained on an on-going basis and submitted along with any new hire list received.</i></p> <p><i>(Excludes any and all previous or existing employer hire lists, on-site hire lists, and OJT/PWE hire lists submitted by employers).</i></p>	200	2400
<p><b>5. Tech-Hire Placements</b>  <i>Any placement resulting from direct sourcing of a candidate that is deemed eligible for the following programs: (1) Tech Hire ABC Enrollments &amp; (2) Tech Hire Training Completers.</i></p> <p><i>Credit will only count if the placement is a direct result of a staff referral to a job order in EFM. Placement must be determined eligible, employment verification confirmed (person worked at least one day), and EFM documentation (activity code) completed <u>before</u> placement can be taken. Staff referral made to the job order after start date will not count. Regarding on-site recruiting events, staff referral must be made prior to or up to the date of the event in order to receive credit. (Referring from an on-site recruitment event sign-in sheet is strictly prohibited). For Tech Hire ABC Enrollments, Tech Hire application must be scanned and submitted by staff prior to candidate's start date and approved by Processing Team in order to receive credit.</i></p> <p><i>(Excludes Job Development Placements, any and all employer hire lists, on-site hire lists, OJT/PWE hire lists submitted by employers, and obtains. Obtains, if applicable, should be listed for credit under Job Developments and Obtains).</i></p>	200	2400
<b>TOTALS</b>	<b>\$1,400</b>	<b>\$16,800</b>

# CSTB-Business Services

## Recruiter

### Staff Performance Incentive Grid PY 2017-2018

Incentives will be based on a tier system for the following performance measures:

Monthly Staff Incentive Summary	Maximum Monthly	Maximum Annual
<p><b>1. Direct Placements</b>  <i>Credit will only count if the placement is a direct result of a staff referral to a job order in EFM. Placement must be determined eligible, employment verification confirmed (person worked at least one day), and EFM documentation (activity code) completed <u>before</u> placement can be taken. Staff referral made to the job order after start date will not count. Regarding on-site recruiting events, staff referral must be made prior to or up to the date of the event in order to receive credit. (Referring from an on-site recruitment event sign-in sheet is strictly prohibited).</i></p> <p><i>(Excludes Job Development Placements, any and all employer hire lists, on-site hire lists, and OJT/PWE hire lists submitted by employers).</i></p>	600	7200
<p><b>2. Job Development Placements &amp; Obtains</b>  <b>Job Development:</b> <i>Credit will only count if the placement is a direct result of a staff referral to a job order in EFM. Proper documentation of 114 activity and/or general case note, 123 activity with corresponding case note, staff referral, and placement EFM documentation (activity code) must be processed <u>before</u> placement can be taken. (Refer to JD Desk Guide/Process in its entirety to receive proper credit).</i>  <b>Obtains:</b> <i>A staff member may claim an Obtain if you verified employment directly with the job seeker, properly case noted the interaction in EFM, and submitted the Employment Verification (EV) form to "Return to Work." Processing Team will determine eligibility, complete EFM documentation (880 activity code), and case note. Processing Team will send an approval or denial email to staff. Audit team will confirm with Processing Team the approval email and EFM 880 activity code with an employment verification case note in order to receive credit.</i></p> <p><i>(Excludes any and all employer hire lists, on-site hire lists, and OJT/PWE hire lists submitted by employers).</i></p>	300	3600
<p><b>3. PWE/OJT Placements</b>  <i>Any placement resulting from direct sourcing of a candidate that is deemed eligible for PWE/OJT programs and hired by an employer with a signed OJT/PWE agreement. Credit will only count if the placement is a direct result of a staff referral to an OJT/PWE job order prior to the start date. Placement must be determined eligible, employment verification confirmed (person worked at least one day), and EFM documentation (activity code) completed <u>before</u> placement can be taken. Staff referral made to the job order after start date will not count. Regarding on-site recruiting events, staff referral must be made prior to or up to the date of the event in order to receive credit. (Referring from an on-site recruitment event sign-in sheet is strictly prohibited).</i></p> <p><i>(Excludes Job Development Placements, any and all employer hire lists, on-site hire lists, and OJT/PWE hire lists submitted by employers).</i></p>	200	2400
<p><b>4. Specialty Placements</b>  <i>Any placement resulting from direct sourcing of a candidate that is deemed eligible for the following programs: (1) WIOA Training Completers, (2) WIOA ABC Application Enrollments, (3) CPC/Science Center Completers, (4) Tech Hire ABC Enrollments &amp; (5) Tech Hire Training Completers.</i></p> <p><i>Credit will only count if the placement is a direct result of a staff referral to a job order in EFM. Placement must be determined eligible, employment verification confirmed (person worked at least one day), and EFM documentation (activity code) completed <u>before</u> placement can be taken. Staff referral made to the job order after start date will not count. Regarding on-site recruiting events, staff referral must be made prior to or up to the date of the event in order to receive credit. (Referring from an on-site recruitment event sign-in sheet is strictly prohibited). For WIOA ABC and Tech Hire Enrollments, application must be submitted prior to candidate's start date and approved by Processing Team in order to receive credit.</i></p> <p><i>(Excludes Job Development Placements, any and all employer hire lists, on-site hire lists, OJT/PWE hire lists submitted by employers, and obtains. Obtains, if applicable, should be listed for credit under Job Developments and Obtains).</i></p>	300	3600
<b>TOTALS</b>	<b>\$1,400</b>	<b>\$16,800</b>

## **WorkNet Pinellas Classification Description**

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**Classification Title: Account Executive**  
**Department: Business Services**  
**Pay Grade: 24**  
**FLSA Status: Exempt**

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### **Purpose**

This position is responsible for the frontline of WorkNet Pinellas' service to employers requiring management of various service options. It is responsible for meeting customer satisfaction, placement and sales goals through continual communication with various employers as well as the direction and supervision of their team of recruiters and through coordination with other WorkNet Pinellas staff and partner agencies.

### **Job Duties and Responsibilities**

#### **Essential Functions:**

- Establish and maintain relationships with employers
- Manage employer expectations. Explain and emphasize "We want a 10" philosophy
- Increase the number of employers who list demand occupation and high wage jobs with WorkNet
- Reference to and document other job boards
- Contacting employers on a regular basis to generate new business, review existing job order activity and solicit additional job orders or services
- Ensure job orders are clearly written, non-discriminatory, and provide a fair representation of the knowledge, skills, and abilities required by the employer
- Examine requirements of the job to make sure they are reasonable, given the essential tasks and salary
- Market all facets of WorkNet Pinellas services available to employers
- Communicate and explain WorkNet's programs, systems and process
- Offer other services, depending on what openings an employer has, and what information an employer provides at follow-up
- Monitor staff referrals to job orders to insure quality
- Identify new job orders listed daily basis to schedule acknowledgement telephone calls to employers

- Pull reports regularly to ensure follow-up and other contacts are being done
- Check job orders to ensure recruiters and other personnel are providing quality customer service
- Ensure all services are provided in compliance and properly documented
- Respond to and resolve customer complaints
- Coordinate Business Service activities with other WorkNet Pinellas departments
- Supervise the activities of the recruitment and placement personnel
- Provide training to personnel in relation to outlined job duties and needs of the organization and professional development team
- Participation and organization of job fairs and employment seminars
- Provide direct feedback to Program Directors

**Additional Duties:**

Perform other duties as assigned

**Minimum Education and Training**

- Bachelor's Degree in Business or Marketing from an accredited college or university
- Five (5) years experience in direct sales or customer service work with a preference for staffing agency experience or other employer outreach experience or equivalent combination of education, training and/or experience
- Florida Workforce Professional Certification Tier I, II and III required
- Project Management Profession Designation preferred

**Job Specifications**

- Knowledge of principles and procedures for personnel recruitment, selection, training, compensation and benefits
- Knowledge of principles and procedures for providing customer service, meeting quality standards for services, and evaluation of customer satisfaction
- Knowledge of online job exchange systems and the use of keyword search engines and spidering technology

- Knowledge of Federal & State laws and regulations relating to public employment services, the Workforce Investment Act, and other One-Stop Career Center programs incorporated through Florida's Workforce Innovation Act of 2000
- Ability to communicate effectively orally and in writing
- Knowledge of Microsoft Office products – Word, Excel, PowerPoint, and Outlook
- Ability to use logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems
- Skill in supervisory others
- Ability to market, sell, and recruit
- Ability to maintain effective working relationships with others
- Ability to communicate effectively with people of all socioeconomic and situational backgrounds and employers
- Ability to motivate program participants
- Ability to organize and prioritize work to be performed
- Ability to oversee the work of a team engaged in providing specific services, completing specific projects, or assisting other units
- Ability to work in a dynamic environment that requires the incumbent to be sensitive to change and responsive to changing goals, priorities, and needs
- Ability to perform professional-level work dealing with data, people, and technology that relates to administrative, technical, scientific, engineering, accounting, legal, or managerial skills
- Ability to make decisions that govern the activities and behaviors of staff members
- Ability to see, hear, and speak

## WorkNet Pinellas Classification Description

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**Classification Title:** Recruiter  
**Department:** Business Services  
**Pay Grade:** 22  
**FLSA Status:** Non-Exempt

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### Purpose

This position meets the hiring needs of employers by sourcing, qualifying and referring those candidates who fully possess the knowledge, skills and abilities set forth in the employer's job order. It markets placement services to employers and assures job seekers are matched to openings based on qualifications.

### Job Duties and Responsibilities

#### Essential Functions:

- Maintain excellent relations with hiring managers, candidates, and the community
- Work with both Professional Placement Network (PPN) and Transitioning Executives Network (TEN) to ensure services are being delivered to program participants
- Facilitate and coordinate PPN and TEN meetings
- Schedule meetings and arrange for Speakers at various events
- Develop and maintain a network of contacts to help identify and source qualified candidates through multiple means
- Provide follow-up services to employers and insure their expectations are met
- Conduct file searches to identify appropriate job seekers with the skill sets required by the employers' job vacancies
- Ensure the job seeker understands the parameters of the particular programs offered
- Provide or coordinate a *comprehensive assessment* of the customer's strengths and needs, as required or necessary
- Develop an individualized goal-oriented plan (*individual employment plan*) based on specific objectives and local program SOPs to achieve the ultimate goal of stable, unsubsidized employment, as required or necessary
- Address all customer identified needs and barriers with appropriate resolution plans and expected outcome achievement dates in customers' plans; incorporates assessment data, to include but not be limited to the TABE, as required or necessary

- Coordinate the customer's participation in program-specific services (ex. work activity, on-the-job training) and community-based supportive services, providing referral or vouchers, as appropriate, as required or necessary
- Assess and document customer training suitability, as required or necessary
- Provide consistent *employment plan progress checks/training plan progress checks with appropriate modification* to ensure that the objectives are achieved, as required or necessary
- Input data collection and update all progress in appropriate tracking system; Prepare and complete progress reports
- Assist with Job Fairs and Mass Recruitments as needed
- Maintain accurate and well-ordered documentation on candidates, searches, services, and other recruiting activities
- Maintain current information on changes or modifications in programs and services
- Work closely and coordinate initiatives with other members of the One-Stop Center
- Maintain and provide records of initiatives, accomplishments and activities
- Work to achieve the Center's performance goals

**Additional Duties:**

Perform other duties as assigned

**Minimum Education and Training**

- Bachelor's Degree in Business or Marketing from an accredited college or university
- Three (3) years of experience recruiting or equivalent combination of education, training and/or experience

**Job Specifications**

- Knowledge of all recruiting components including, but not limited to, sourcing, qualifying, networking, assessing, legal, job analysis, wage and salary trends, and relationship management
- Basic knowledge of hiring process and local labor market
- Ability to communicate effectively both orally and in writing
- Ability to gather facts, overcome differing semantics, probe for details

- Excellent telephone communication skills and technique
- Excellent interpersonal skills with a commitment to a customer-focused service delivery system
- Ability to use computers for data entry, notes, Internet, and reports
- Ability to initiate and maintain excellent working relations with local employers
- Demonstrated ability to command the attention and respect of senior level leaders.
- Ability to handle sensitive and confidential information appropriately
- Strong initiative and solid judgment abilities/skills
- Ability to work in a dynamic environment that requires the incumbent to be sensitive to change and responsive to changing goals, priorities, and needs
- Ability to determine approach for doing work based on guidelines given by supervisor
- Ability to perform specific procedures that may result in interaction with co-workers, citizens, or other individuals
- Ability to see, hear, and speak



**Action Item 4 – Approval of Training Vendor**  
**ICTC Governing Board dba AmSkills**  
**American Manufacturing Skills Initiative**  
 7825 Campus Drive New Port Richey, FL 34653

AmSkills Apprenticeship Program is certified under the Florida Department of Education, Division of Career and Adult Education in the trades of Electronics Technician, Industrial Maintenance Repairer, Mechatronics, Tool and Die Maker. Staff conducted a site visit on Tuesday, July 24, 2018.

**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
Pre-Apprenticeship Skills Training	\$300	\$1,792	\$0	\$2,092	400 clock hours/ 17 weeks	95%	\$12.00 per hour

- School Opened: 8/20/2014
- School Locations:

Regional Headquarters & Training Center Marchman Technical College 7825 Campus Drive, Building 6 New Port Richey, Florida 34653	Adult Pre-Apprenticeship Program Northeast High School 5500 16 <sup>th</sup> Street North, St. Petersburg, FL. 33703
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- Total enrollments for prior year: 20
- 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 several other approved training vendors for LWDB 14 that offer Registered Apprenticeship 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.*

**Recommendation:** The Workforce Solutions Committee is recommending approval of AmSkills as an approved training vendor for LWDB 14.



**Action Item 5 – Approval of Training Vendor  
 Knowledge Quest Education Solutions Inc. dba Learning Alliance  
 Corporation (ID# 5422)  
 4508 Oak Fair Blvd., Suite 240 Tampa, FL 33610**

Learning Alliance Corporation has a license from the Commission for Independent Education. Staff conducted a site visit on Tuesday, 7.24.2018. Learning Alliance Corporation will start reporting to FETPIP.

**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	Retention Rate
Broadband Digital Installer	Included	\$10,000	\$10,000	304 hours	95%	\$12	95%
Business Information Systems	Included	\$3,500	\$3,500	240 hours	95%	\$12	95%
* Practical Project Management	Included	\$7,500	\$7,500	300 hours	N/A	Anticipated \$14	
* Lean Sigma Green Belt Champion	Included	\$7,500	\$7,500	300 hours	N/A	Anticipated \$14	

*\* New programs approved by Florida Department Education on 3.5.2018*

- School Opened for 16 years
- Total enrollments for prior year: 43
- Total Cost, Completion Rates and Average Wage at Placement for the program are comparable to other private schools that offer the same type of 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.*

**Recommendation:** The Workforce Solutions Committee is recommending approval of Learning Alliance Corporation as an approved training vendor for LWDB 14.



**Action Item 6 – Approval of Training Vendor  
Southern Technical College – Tampa Campus (ID# 2274)**  
3910 Riga Blvd. Tampa, FL 33619

Southern Technical College has a license from the Commission for Independent Education (#2274). Staff conducted a site visit on Wednesday, August 29, 2018. Southern Technical College currently reports to FETPIP.

**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
Diagnostic Medical Sonographer-AS	\$0	\$41,552	\$0	\$41,552	98 Credit Hour	15.9%	\$26.63 per hour
Management -BS	\$0	\$38,400	\$0	\$38,400	192 Credit Hours	23.8%	\$14 per hour
Medical Assistant - Diploma	\$0	\$17,500	\$0	\$17,500	51 Credit Hours	9.4%	\$10.50 per hour
Medical Laboratory Technician-AS	\$0	\$35,910	\$0	\$35,910	105 Credit Hours	9.4%	\$16.50 per hour
Nursing -AS	\$0	\$45,885	\$0	\$45,885	115 Credit Hours	9.7%	\$25 per hour

- School Opened: 2000
- Total enrollments for prior year: 327
- Total Cost, Completion Rates and Average Wage at Placement for the program are comparable to other private institutions that offer the same type of 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.*

**Recommendation:** The Workforce Solutions Committee recommends approval of Southern Technical College Tampa Campus location as an approved training vendor for LWDB 14.



## **Discussion Item 7 – CEO Search: Recommendation**

An Ad Hoc Search Committee consisting of six Board Members was created by the CSPIN Board Chairman, for the purpose of searching for a new Chief Executive Officer (CEO) for CareerSource Pinellas.

The open CEO position was advertised through various channels, including:

- Employ Florida
- The CSPIN website
- The National Association of Workforce Boards
- And various Social Media outlets (LinkedIn; Indeed; Facebook; etc.)

Over several weeks, the Search Committee – with the assistance of an HR Consultant – has evaluated candidates interested in the position. The Committee conducted Skype interviews with the top four candidates on 9/12/18.

After much deliberation, the committee selected two candidates to bring forth for consideration by the Board of Directors. The Search Committee recommends that the following candidates be interviewed at the October 17<sup>th</sup> BOD meeting.

1. Jennifer Brackney
2. Rocco Tricarico

The candidates' resumes and accomplishments are attached, for prior perusal.

## Jennifer Brackney

101 16<sup>th</sup> Avenue NE • St. Petersburg, Florida 33704 • [Brackney1997@gmail.com](mailto:Brackney1997@gmail.com) • (309) 360-7266

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### PROFESSIONAL EXPERIENCE

#### **CAREERSOURCE PINELLAS, Florida • 2015 – Present**

##### **Executive Director, Interim**

Serving as the Interim Executive Director of the seventh largest workforce development organization in Florida, leading a team of over 100 workforce professionals and volunteers while overseeing a budget of \$16.3 million and successfully implementing 54 complex workforce development programs in Pinellas County.

- Transitioned the organization during a time of turmoil and uncertainty and addressed overspending, inefficiencies, and a lack of robust controls by leading company-wide policy shifts, upskilling divisional leaders, and transforming the culture to one of that embraces transparency and supports programmatic and fiscal oversight.
- Facilitated systemic changes in service delivery design and relevant programs by establishing processes and policies that better align programs with federal and state guidelines.
- Revamped the entire finance department bringing in a new Chief Financial Officer (CFO) consultant to ensure fiscal operations continue without disruption during the transition.
- Redesigned internal procedures and controls to track contract development and vendor payments; setup new payment processing systems to tighten cash management; migrated CareerSource Pinellas Abila MIP accounting systems and Microix database to a hosted cloud server; improved efficiencies and created a foundation for strong financial operations.
- Significantly enhanced the Request for Proposal (RFP) process raising the bar on agency standards and qualifications developing a pool of better qualified contractors with subject matter expertise.
- Secured a new One-Stop Operator to expand and improve the coordination and service delivery of participating one-stop partners and service providers located within the career centers.
- Supported continuous improvement and customer service excellence, ending the program year with a customer satisfaction rate of 94.5 percent compared to 93.8 percent last year.
- Promoted active engagement with employers to minimize impact to service levels, providing services to 2,595 employers and posting 10,034 job orders compared to 2,743 employers and 12,945 job orders last year.
- Managed overall operations providing career development services to over 20,000 individuals at the five career resource centers located throughout Pinellas County.
- Created a professional team environment within the office while coaching, teaching and mentoring team members. CareerSource Pinellas has had less than one percent turnover of staff.
- Assigned accountability to each Director and Program Coordinator for quality and to ensure adherence to new standards and policies. Personally visited and evaluated the majority of programs, establishing metrics and encouraging high performance.
- Met or exceeded all program performance metrics established by Department of Economic Opportunity. Negotiated program performance metrics for PY'2018-2019.

##### **Director, Special Projects**

- Researched and wrote successfully grant proposals to increase operating budget. Secured over \$3M in corporate sponsorships, grants, foundations and individual support to provide expanded services for pre-vocational training, youth services and summer camp for children.
- Implemented and provided project leadership for 20 special projects, including STEM TEC, STEMe, YouthBuild, Able Trust and Juvenile Welfare Board.
- Developed the comprehensive 2016-2020 local workforce plan, in partnership with the local workforce development board (LWDB), local chief elected officials, partners and stakeholders.

**MIDSTATE COLLEGE • Peoria, Illinois • 2013 – 2014**

**Chief Operating Officer**

- Evaluated operating procedures and identified ways to improve efficiencies.
- Worked closely with the President/CEO in development and implementation of growth and revenue strategies to align with the strategic vision of the organization.

**CITY OF PEORIA • WORKFORCE DEVELOPMENT DEPARTMENT • Peoria, Illinois • 1989 – 2013**

**Executive Director/Workforce Development Manager**

- Led a team of 30 workforce professionals while overseeing a budget of \$8.3 million and successfully implementing 10 workforce development programs in Central Illinois.
- Conducted human resource activities, including interviewing, hiring, training, planning, conducting performance evaluations, and following collective bargaining agreements.
- Supervised all aspects of career and academic services, including providing career counseling, developing strategies to improve student success and retention, coordinating training workshops, organizing career fairs, identifying student internship opportunities and developing programs.
- Provided leadership for business services, including understanding business recruitment needs, managing candidate pipeline and implementing recruitment campaigns.

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**EDUCATION**

**Senior Certified Professional • SCP Certification**

SOCIETY OF HUMAN RESOURCE MANAGEMENT (SHRM) • 2015

**Senior Professional in Human Resource • SPHR Certification**

HUMAN RESOURCES CERTIFICATION INSTITUTE (HRCI) • 2014 – Present

**Master of Arts (M.A.) in Administration • Type 75 Administrative Certification**

BRADLEY UNIVERSITY • PEORIA, ILLINOIS • 1993

**Bachelor of Arts (B.A.) in Education • K-9 Teaching Certification**

BRADLEY UNIVERSITY • PEORIA, ILLINOIS • 1986

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**PROFESSIONAL AFFILIATIONS**

Early Learning Coalition (ELS), *Board Member (2017-Present)*  
Forward Pinellas - Local Coordinating Board (LCB), *Board Member (2017-Present)*  
Stavros Career Education Board, *Board Member (2017 – Present)*  
Suncoast Human Resource Professionals, *Member (2016 – Present)*  
Job Corp – Community Development Committee, *Member (2016 – Present)*  
Society for Human Resource Management (SHRM), *Member (2014- present)*  
Midstate College, *Board of Directors, Treasurer (1999- 2013)*  
National Association of Workforce Boards, *Member (2007-2010)*

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**RECOGNITIONS & COMMUNITY INVOLVEMENT**

Peoria Journal Star “*Volunteer of the Year*” Award (*Nominated 2014*)  
WEEK’s 25 “*Women in Leadership*” Award (*2010*)  
Bradley University “*ELH Exemplary Alumni*” Award (*2003*)  
Illinois Workforce Partnership “*President*” Award (*2003 & 2005*)  
InterBusiness Issues “*Forty Leaders under Forty*” Award (*2000*)  
Community Leadership School “*1<sup>st</sup> Place Team Project*” Award (*2001*)  
Illinois Employment & Training Association “*Professional of the Year*” Award (*1999*)  
Tazewell Animal Protection Society (TAPS), *Vice President, Board of Directors (2010-2016)*  
OSF Paws for Healing, *Certified Therapy Dogs (2012-2014)*  
Alpha Chi Omega, *Alumni*

## **ACCOMPLISHMENTS**

At the request of the CareerSource Pinellas Chairman of the Board, as of February 1, 2018, I have been serving as the Interim Executive Director of the seventh largest workforce development organization in Florida. Leading a team of over 100 workforce professionals and volunteers while overseeing a budget of \$16.3 million and successfully implementing 54 complex workforce development programs in Pinellas County.

During this interim period, there has been turmoil and uncertainty surrounding the organization. First and foremost, I have provided strong leadership and gained the full confidence of team members to take an “*all hands on deck*” approach to ensuring program operations continue to meet and exceed the expectations of individuals and businesses, despite these challenges. The program year ended with an overall customer satisfaction rate of 94.5 percent compared to 93.8 percent last year.

With the help of dedicated and motivated team members, I transitioned the organization by addressing overspending, inefficiencies, and a lack of robust controls by leading company-wide policy shifts, upskilling divisional leaders, and transforming the culture to one that embraces transparency and supports fiscal and programmatic oversight.

I led, coached, and mentored team members to take the organization to the next phase through a strong focus on quality outcomes, customer relationships and excellence in service delivery through a people-first mindset. During the program year, over 20,000 Pinellas County residents entered the local workforce system seeking new jobs, higher wages, greater skills, and a prosperous future. Some individuals came with significant barriers, such as physical or mental disabilities. Others face life challenges, such as poverty, past incarceration, or cultural and language differences. The majority entered ready to work yet needing help with resume writing, career direction, and job search assistance. With the help of career counselors, instructors and other service providers, they forged new pathways to self-sufficiency, underwent basic skills training, and embarked on career-focused education, from high school to post-secondary certificates and degrees. Still, others began apprenticeships or entered the workforce through targeted on-the-job training (OJT) and other forms of work-based learning.

At the same time, I promoted active engagement with employers to minimize the impact to service levels, providing services to 2,595 employers and posting 10,034 job orders compared to 2,743 employers and 12,945 job orders last year. I am in the process of interviewing and hiring a dynamic Director of Business Services to take the team to the next level while building and mending relationships with local employers, business associations and chamber of commerce groups.

In an effort to establish a board of directors reflective of the new strategic vision, worked with the Local Workforce Development Board to provide a board orientation for the current board members and 20 new members serving from a cross spectrum of industries, representing both small and large employers.

I significantly enhanced the Request for Proposal (RFP) process raising the bar on agency standards and qualifications developing a pool of better qualified contractors with subject matter expertise. I solicited and secured a new One-Stop Operator to expand and improve the coordination and service delivery of participating one-stop partners and services providers located within the career centers.

I have revamped the entire finance department bringing in a new Chief Financial Officer (CFO) consultant, on an interim basis, to bridge the gap until a permanent CFO is on board and to ensure fiscal operations continue without disruption during the transition. With the leadership of the CFO, we have redesigned internal procedures and controls to track contract development and vendor payments; setup new payment processing systems to tighten cash management; migrated CareerSource Pinellas Abila MIP accounting systems and Microix database to a hosted cloud server; improved efficiencies and created a foundation for strong financial operations.

To ensure alignment with the Board's strategic vision of transparency and accountability, I have promoted open communication, posted all current and past meeting materials online, and helped rebuilding support for CareerSource Pinellas by communicating to the many public and private stakeholders the benefits of their individual investments, system effectiveness and community impact.

As of July 1, 2018, the beginning of Program Year 2018-2019, CareerSource Pinellas is faced with challenges and opportunities. The challenges relate to building a strong, focused, leadership team; identifying ways to provide enhanced oversight and adjusting to the realities of budgetary constraints and more challenging program performance metrics.

On the other hand, we are well positioned to implement programs and to meet the overarching vision of enhancing alignment of workforce, education and economic development through improved system integration; promoting accountability, transparency and data-driven workforce investment through performance measures, monitoring and evaluation; and improving career exploration, educational attainment and skill training for in-demand industries and occupations.

Overall, the forecast of the CareerSource Pinellas is improving every day, and I am determined to continue to improve workforce services in order to meet the demands of our customers. I am excited about the new opportunities to enhance and expand workforce services. I believe a more transparent approach will encourage a more engaged and invested community. I look forward to partnering with the community to promote a workforce system that continuously responds, improves and adapts to changing conditions and demands.

# Rocco Tricarico

## **EXECUTIVE DIRECTOR - Human Resource Agency of New Britain, Inc**

East Lyme, CT 06333

[richardrocco631@gmail.com](mailto:richardrocco631@gmail.com)

8604189474

Willing to relocate to: South Florida, FL - New York, NY - Washington, DC

Authorized to work in the US for any employer

## Work Experience

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### **EXECUTIVE DIRECTOR**

Human Resource Agency of New Britain, Inc - New Haven, CT

November 2003 to Present

- Serve as the CEO of regional non-profit community action agency with offices in - New Britain, New Haven, Meriden and Middletown
- Manage over thirty five programs with a direct service budget in excess of \$20million including a Head Start "program of excellence" and One Stop Career Center.
- Supervise total staff of 250 as well as facility management.
- Perform administrative, program, fiscal and development functions as required
- Responsible for external relations including coordination of annual appeal
- Serve as legal counsel for the agency on labor, contract and property issues

### **EXECUTIVE DIRECTOR**

The ACCESS Agency, Inc - Willimantic, CT

March 2001 to October 2003

- CEO of nonprofit community action agency serving Windham, Tolland and Central Connecticut
- Overall management of multi-million dollar anti-poverty human services agency; maintained strong fiscal operation, strategic planning, corporate development, grants administration and property management
- Chief negotiator for management with bargaining unit District 1199 SEIU AFL-CIO
- Responsible for public relations, federal and state legislative relationships; overall administrative responsibility of all policies, guidelines, wage scale, health and safety issues and organizational ethics.

### **CHIEF PROFESSIONAL OFFICER/GENERAL COUNSEL**

OIC of New London County, Inc - New London, CT

November 1996 to March 2001

- Served as the chief professional officer of a national nonprofit employment, training and human service agency
- Program Development, grant writing, contract administration, budgeting, marketing, and human resource management
- Represented the Agency at local and national forums including budget hearings
- Serve as legal counsel on Employment, Contract, and Real Property Law issues

### **EXECUTIVE DIRECTOR**

CT Association of Substance Abuse Agencies - Wethersfield, CT

September 1995 to October 1996

- Responsible for day-to-day management of a professional trade association representing substance abuse program agencies statewide
- Marketing, public relations, lobbying, community outreach and public policy advocacy
- Established training and licensing programs for member agencies

### **DIRECTOR OF GOVERNMENT RELATIONS**

Connecticut Nurses' Association - Meriden, CT

March 1994 to September 1995

- Acted as lobbyist and public policy advocate for the largest professional nurses' association in CT
- Wrote and reviewed proposed legislation and administrative regulations
- Prepared and delivered testimony at public hearings

## Education

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### **Juris Doctor**

City University of New York School of Law at Queens College - Flushing, NY

May 1991

### **Bachelor of Arts in Urban Planning & Public Policy**

State University of New York College at Purchase - Purchase, NY

January 1981

## Skills

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WINDOWS 8, Non-Profit

## Additional Information

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### SPECIAL INTERESTS AND SKILLS:

Windows 8. Registered Arbitrator. Experienced world traveler, tennis, boating, and microbrewer. Baseball and Soccer Coach. Regular contributor to tripadvisor

## Responsive Answers Regarding Career Achievements

Submitted by: Rocco Richard Tricarico

In looking back on my years of professional development I have highlighted the following career achievements.

In March of 2001 I was selected to assume the position of Executive Director of The ACCESS Agency, Inc. This large not for profit was in crisis and had just been defunded by the Federal Head Start Office. Lack of leadership and scandals resulted not only in the loss of funding but the loss of trust by community stakeholders in the agency's ability to meet its mission in the community. Staff were demoralized and the agency was on the verge of ceasing operations. The board was in panic mode with no clear path to survival in sight.

Despite the problems, I chose to take on the challenge of restoring and growing ACCESS into the entity the community had envisioned and trusted for over 40 years. I embarked on an aggressive rebuilding process which included a SWOT analysis which illustrated the positive and negatives related to agency operations and structure. Working with the data collected, I identified key staff who were still mission driven and wanted to be part of the revival. Other staff who were not considered to be on board were not retained. I also recruited key staff in Human Resources, Finance and Program Operations to join my leadership team. In addition, I reached out to key community partners including elected officials, funders, customers and other providers in order to demonstrate my commitment to work in partnership to restore the trust they had lost in the agency.

Once the leadership team was assembled we then identified key business areas to develop and focus on aided by a new strategic plan for the agency. This plan was the roadmap staff and the board would follow moving forward and included strategies to achieve a culture change in the agency. The board also transitioned into a vision rather than operational board. Trainings were developed that better explained the roles and responsibilities of the board and new members who shared the new strategic vision were asked to serve. The result was a leaner more focused agency which prided itself on outcomes and compliance. During my tenure ACCESS not only survived but flourished. We developed one of the most successful and profitable weatherization programs in the state and increased revenue by over 100%. I negotiated the transfer of several early childhood facilities to another provider thus freeing the agency of the bonding debt burden associated with those buildings. Partnering with local municipalities we developed and built much needed affordable housing for low income seniors which also created new jobs in the community. Most importantly however we were able to once again gain the confidence in community stakeholders.

#2

In November 2003, I resigned from ACCESS in order to take on a new challenge with a similar agency in crisis. Although not as acute, HRA of New Britain was undergoing a leadership and governance challenge. More pressing in my view however was the deplorable working and learning conditions of the facility where a majority of HRA programs were housed. Upon assuming the role of Executive Director, I

embarked on a mission to improve and build an extension to our existing facility. I had been told on numerous occasions that this was an impossible mission that had been tried in the past and that I should instead focus on other matters. I however understood the need to create a facility that our staff and community could be proud of and which would serve as a beacon of hope for those underserved in our community who deserved better. In order to accomplish this I enlisted the support of our local Congresswomen, The United Way, State official, banks and the federal agency of cognizance.

We were able to identify and utilize a quasi-public funding stream that had been primarily used for healthcare facilities but I persuaded the state that the health of the children in our learning center was a health issue and they agreed. The result was the largest such bond of its type (\$12.3 million) ever issued in the state. More importantly however we were able to consolidate our off site classrooms under one roof and also add an additional 22 classrooms which increased by 50% our overall enrollment. The result was more families were able to access affordable childcare which removed a barrier to employment and education and we also increased agency revenue. The facility remains a shining beacon of hope in the community and illustrates what can be accomplished in the face of adversity and opposition.

#3

In January of 2017 HRA completed a merger with a large not for profit operating in a neighboring city. This merger came about as a result of a consolidation plan my team had developed that illustrated to the funders that services could be improved and expanded in an underserved community while at the same time cutting operating costs by 20% and improving program compliance. Costs savings resulted from collapsing backroom functions such as Finance, Planning and Human Resources into the existing HRA structure. These savings were then re-invested into community programs. In addition to program and administration changes the existing agency and board governance was revised. The board of the merged entity was dissolved and positions were created within an expanded HRA board to ensure that the new expanded catchment area had local representation and complied with funding requirements.

Although similar mergers had been attempted in Connecticut previously, this was the first successful one of its kind in the state. The new merged entity has resulted in new and expanded services, eliminated compliance and outcome issues, is financially sustainable and is recognized as the primary source for social services in the communities it serves. The Connecticut Department of Social services has also used the model that we created as an example that they hope to implement around the state in order to more effectively deliver services cheaper and more efficiently.

#4

Although HRA had been somewhat involved in Workforce Development, our niche became solidified in 2004 when we successfully bid on and were awarded the One Stop Contract to operate the American Job Center for South Central Connecticut. This was important to our business model and allowed HRA to expand our holistic service model to a much larger service area. This was a very competitive process and required building community and business relationships statewide. The contract added \$3.5 million to HRA's overall budget and an additional 70 employees. It also allowed for HRA to expand our planning and Human Resource capacity and to create better outcomes for our clients over what he previous operator had done. In fact the placement rate for job seekers serve by the center were among the highest in the state.

#5

While working as an advisor to the Mayor of New Haven, Connecticut, I was tasked with the responsibility of transforming the early childhood programs run by the city. At the time the child development centers were based in housing projects and private homes. The mission was to transition these centers into a center based environment operated by the Board of Education. In order to accomplish this the culture that existed needed to be changed and all stakeholders needed to be part of the process. There were also labor management issues which needed to be resolved. The rationale behind the changes were that children especially those from the poorest families needed quality, safe affordable childcare so that barrier to success could be removed. After months of negotiations and community meetings the programs were successfully transferred. The result was an expansion of slots available to families and more accountability with uniform standards of care.