

**WDB Executive, Finance & Audit Committee &
RochesterWorks, Inc. Board of Directors Meeting
Tuesday, February 14, 2017
7:30 to 9:00 AM
Conference Room 2,
United Way Offices, 75 College Ave.**

RochesterWorks! increases the economic vitality of the community.

- I. Approval of November 29, 2016 Meeting Minutes**
- II. Finance Committee**
 - A. Financial
- III. Executive Committee**
 - A. SYEP Recommendations (Youth)
- IV. Audit Committee**
 - A. Completion of FOTA Audit as of June 30, 2017
- V. Director's Report**
 - A. Career Center RFP-NYATEP
 - B. Annual Report
- VI. RWI Board Meeting**
 - A. No Reportable Activity

Executive Finance & Audit Committee Meeting Schedule:
May 16, 2017

Workforce Development Board
Executive, Finance and Audit Committee
and RochesterWorks, Inc. Board of Directors Meeting Minutes
Tuesday, November 29, 2016
75 College Ave. Rochester, NY

Committee Members Present: George Scharr, William Clark, Richard Turner, Sergio Esteban,

Telecommunication: James Norman

Committee Members Absent: Marisol Ramos-Lopez, Timothy Shortsleeve, Jeffrey Adair, Corinda Crossdale

RochesterWorks, Inc. Board Present: George Scharr, William Clark, Richard Turner, Sergio Esteban

RochesterWorks, Inc. Board Absent: Marisol Ramos-Lopez, Timothy Shortsleeve, Jeffrey Adair,
Corinda Crossdale

Staff and Guests: Michelle Pyzik CPA Manager, Craig Stevens (The Bonadio Group CPA's Consultants & More) Michael DeBole, Peter Pecor, Behiye Mansour, Hilda Betances

WORKFORCE DEVELOPMENT BOARD EXECUTIVE, FINANCE AND AUDIT COMMITTEE

Call to Order

The Executive, Finance and Audit Committee of the Workforce Investment and the Board of Director's for RochesterWorks, Inc. meeting was called to order by Sergio Esteban at 7:30 AM.

Audit Committee:

Draft Independent Audit Report – The Bonadio Group CPA's Consultants & More:

Craig Stevens referred to binder/package that was handed out and stated there were no changes made from the previous scheduled meeting.

Craig Stevens reported, that The Bonadio Group is required to communicate certain aspects related to the audit process under certain audit standards. The document/package that was handed out satisfies The Bonadio Group responsibilities.

Tab 1. Accounting Estimates: RWI financial statement did not include any sensitive accounting estimates. RWI historically have not had accounting write offs of receivables. The Organization's financial statements did not include any sensitive estimates. The financial statement disclosures are neutral, consistent and clear. The Bonadio Group did not encounter difficulties in dealing with management in performing and completing the audit. Michael DeBole, Behiye Mansour, Pete Pecor and everyone that worked with related to the audit were available and assessable. Information was provided and as a result it was a smooth process. No audit adjustments were identified, no errors in any accounts, it was a good audit process.

Tab 2. The draft financial statement. These statements are for all intent and purposes final, upon the committee's approval they will be issued. The report is unmodified, and clean opinion on the organizations financial statements.

Page 3. Balance Sheet: Cash position remains strong at the end of the year. Cash is a function of everything, it is based on payables and receivables. Receivables are, Federal Grants, non-Federal Grants and Fees for service receivables. The Federal grants are up by \$140K due to the H1B, Technical Skills Training Grant, increased by \$200K from last year. WIA was down at the end of the year, due to timing of payments from the county. There was no allowance established and has been fully collected. Other receivables \$132K up \$50K

from last year. The Work Experience Program (WEP) payments are three months outstanding at the end of the year vs two months last year due to time of receivables, in respect to the Federal non receivables. Fee for services doubled from last year. OJT, Admin receivable from the county up \$42K. Job Readiness Training Program was \$34K it is new this year, those items are accounted for the increase and Fee for services receivable. No allowances established on those as well. Due to service providers up \$125K. Liabilities will follow collections of receivables. As you collect the money you pay providers. Accounts payable is up the Monroe County oversight contract was two months for the account increase from last year, vs. one-month last year. Once again no unusual payables. Deferred revenue, represents TANF advance, subsequent to the fiscal year, that money was not received prior to the end of the fiscal year last year.

Total revenue is up \$700K, primarily in Federal Grant revenue note the reason is the Finger Lakes Hired Program there was almost \$900K increase and was offset by decreases by other programs, primarily the Trade Adjustment, TA just under \$1000K and TANF. Decrease is due to individual participating in those programs.

General and administrative is cost almost double from last year. The reason is additional hiring's, the onset with the Finger Lakes Hired Program, significant administrative responsibilities, five people were hired to administer the program. Those salaries were being paid through the program without generating revenues. And now in the second year of a five-year program, and will begin to convert to revenues. One of the factors that show decrease in the assets is over time RWI has generated very small to modest increase in that asset. This year the adjustments and cost to get the program going, the decrease in referrals and activities were down. RWI had additional cost that were not supported by revenues.

Craig Stevens referred to page 5. Statement of Functional Expenses for the Year Ended June 30, 2016. Craig stated that it is a new presentation/report. It allows to get a good understanding were the expenses are, both from a programmatic and general basis. Craig briefly gave an explained of the new presentation.

Craig Stevens reported, the audit process went smooth no audit adjustment, no control deficiencies. Michael DeBole and Behiye Mansour had done a good job getting matters ready for the audit.

Sergio Esteban motion to have an Executive Session.

Sergio Esteban thanked Michael and Behiye's for their cooperation for a challenging year and during the audit process and also stated, that the audit report was very good. The committee will recommend to the board on December 13, 2016 the acceptance of the audit.

A motion to approve the Draft Independent Audit Report by The Bonadio Group CPA's Consultants & More was made by Richard Turner and second by William Clark. The motion was passed unanimously.

Approval of Minutes:

A motion to approve the August 16, 2017 Meeting Minutes was made by William Clark and second by Richard Turner. The motion was passed unanimously.

Finance Committee:

Michael DeBole provided a packet on the July 1, 2016-September 30, 2016 Financial report and discussed briefly.

Michael DeBole thanked Behiye Mansour for her hard work and dedication she puts forth throughout the year and also RWI staff for their cooperation working with us. Great job on a challenging year.

Operational Expenses

Salaries and Fringe Benefits are under budget by 77%.

RWI insurance will be paid December 2016.

Rent is under budget by 75%.
Building maintenance is budget at 86%.
Utilities are under budget by 81%.
Telephone is under budget by 82%.
Office Supplies are under budget by 80%.
Printing/Postage is under budget by 79%.
Equipment is under budget by 49%.
Training/Professional Development is under budget by 98%.
Contract services is under budget by 73%.

Overall our Operational Expenses are under budget by 77%.

Provider Payments

The year round youth provider payments are under budget by 79%.
FLH Community Colleges are under budget by 73%.
The Summer Youth Employment Program ended in September under budget by 53%.

Overall the Provider Payments are on target to budget by 69%.

Direct Service Expenses

Individual Assessment/Training are under budget by 68%.
Business Training Grants are under budget by 84%.
Client Services are under budget by 77%.
Youth Wage Subsidies are under budget by 44%.

Overall the Direct Services are under budget by 66%.

Other Expenses

Advertising/Outreach is under budget by 79%.
Monroe County Oversight is under budget by 70%.

Overall we are under budget by 72%.

Individual Training Accounts (ITAs) by Provider

The ITA's by Provider report shows that the top three funded schools are Wayne Finger Lakes BOCES, Finger Lakes Community College and Monroe Community College. There are 135 participants in training and the average ITA amount is \$2,127.

Peter Pecor stated, that there was a Committee Approval for the Transfer of Funds via email dated October 31, 2016. The Federal budget year does not begin until October 1st. This is the first time we have not received funds through the entire month of October, which is why the transfer was needed. The money came through retroactively and, therefore voided the need to transfer the funds.

Peter Pecor stated, both the Health Insurance Benefits, which reflects a modest increase and secondly, the extension of the Payrolling Contract for Work Experience were both also approved via email November 14, 2016.

Audit Committee:

The Bonadio Group, CPA Consultant Preliminary Annual Financial Report

Executive Committee:

Directors Report:

WIOA Update

Peter Pecor reported, that there will be a meeting at Albany in November. Peter attended a meeting October. The final regulations came out from the Feds, the State is currently interpreting the regulations. There are two issues that are effecting RWI. The two major issues that need to be addressed and dealt with regarding WIOA has to do with the process and procedure relatives to the requirement to have the one-stop, career center operation competitively bid. Our current arrangement for the operation of the career centers is under a consortium agreement with the NYSDL. The other issue is the need to establish a memorandum of understanding (MOU) with our mandated partners which will not only include what we do operationally but also the financial impact of these arrangements. We have made contact with the New York State Association of Counties to ask if they may be able, on our behalf and on behalf of the other counties, act as our agents or assist in the development of the Career Center Operations RFP. It is our hope to have these directives as soon as possible and the plan in place by October or November in order to meet the July 1, 2017 mandated date for implementation. We are waiting for final rules from the state.

Other Items:

RWI Board Meeting: December 13, 2016

Adjournment:

The meeting was adjourned at 8:15 A.M.

Approved

Peter Pecor

Submitted by Hilda Betances

Approved:

Peter Pecor 12/13/16

Michael DeBole 12/14/16

RochesterWorks! System

July 1, 2016 – December 31, 2016

Operational Expenses

- Salaries and Fringe Benefits are under budget by 52% & 59%.
- RWI insurance is over budget by (14%).
- Rent is currently on budget by 50%.
- Building maintenance is budget at 67%.
- Utilities are under budget by 60%.
- Telephone is under budget by 62%.
- Office Supplies are under budget by 54%.
- Printing/Postage is under budget by 59%.
- Equipment is over budget by (6%).
- Training/Professional Development is over budget by (120%) Young adults MFG.
- Contract services is currently on budget by 46%.
- Overall our Operational Expenses are under budget by 51%.

Provider Payments

- The year round youth provider payments are under budget by 51%.
- FLH Community Colleges are under budget by 45%.
- The Summer Youth Employment Program ended in September under budget by 11%.
- Overall the Provider Payments are on target to budget by 40%.

Direct Service Expenses

- Individual Assessment/Training are under budget by 23%.
- Business Training Grants are under budget by 66%.
- Client Services are under budget by 60%.
- Youth Wage Subsidies are under budget by 36%.
- Overall the Direct Services are under budget by 41%.

Other Expenses

- Advertising/Outreach is under budget by 58%.
- Monroe County Oversight is under budget by 40%.

Overall we are under budget by 46%.

Individual Training Accounts (ITAs) by Provider

- The ITA's by Provider report shows that the top three funded schools are Professional Driving Institute (PDI), Wayne Finger Lakes BOCES, and Isabella Graham School of Nursing. There are 206 participants in training and the average ITA amount is \$2,475.

RochesterWorks! System

Budget Vs. Actual

July 1, 2016 - December 31, 2016

	Actual	Budget	Remaining	%
REVENUE:				
Grant Revenue	2,390,362	5,911,465	3,521,103	60%
TANF	958,685	1,091,393	132,708	12%
FLH	732,431	1,474,298	741,867	50%
LEAP 2	34,126	-	(34,126)	0%
TAA	139,127	260,000	120,873	46%
Monroe County Services	477,942	1,316,250	838,308	64%
Other	19,188	-	(19,188)	0%
	4,751,860	10,053,406	5,301,546	53%
 PROGRAM EXPENSES:				
Direct Services	1,565,882	2,646,984	1,081,102	41%
Service Providers: WIOA & TANF	843,574	1,412,300	568,726	40%
MC Oversight	135,075	230,000	94,925	41%
	2,544,532	4,289,284	1,744,752	41%
 RWI Operational Expenses				
Salaries	1,485,039	3,082,425	1,597,386	52%
Fringe Benefits	366,675	887,676	521,001	59%
Insurance	12,746	11,200	-1,546	-14%
Rent	104,217	208,063	103,846	50%
Building Maintenance	10,697	32,400	21,703	67%
Utilities	7,909	20,000	12,091	60%
Telephone	20,520	54,364	33,844	62%
Office Supplies/Software	17,398	37,960	20,562	54%
Printing/Postage	6,057	14,638	8,581	59%
Equipment	21,135	20,000	-1,135	-6%
Travel	10,330	16,506	6,176	37%
Training/Professional Dev.	27,560	12,500	-15,060	-120%
Meetings/Membership Dues	12,626	11,000	-1,626	-15%
Contract Services	68,323	126,800	58,477	46%
	2,207,328	4,535,532	2,328,204	51%
Total Operational Expenses	2,207,328	4,535,532	2,328,204	51%
Total Expenses	4,751,860	8,824,816	4,072,956	46%
 Carryover	 0	 1,228,590	 1,228,590	

RochesterWorks! System

Budget Vs. Actual

July 1, 2016 - December 31, 2016

Finger Lakes Hired P&L

				%
RWI Operational Expenses	Actual	Budget	Remaining	Remaining
Salaries	144,773	301,326	156,553	52%
Fringe Benefits	32,126	86,720	54,594	63%
Other Operational Expenses	10,498	28,168	17,670	63%
Total Operational Expenses	187,397	416,214	228,817	55%
Provider Payments				
FLH Contracts	83,485	152,100	68,615	45%
Total Provider Payments	83,485	152,100	68,615	45%
Direct Service Expenses				
Individual Assessment/Training	303,598	392,577	88,979	23%
Business Training Grants	140,662	457,608	316,946	69%
FLH Wage Subsidies	13,473	25,000	11,527	46%
Total Direct Services	461,512	905,984	444,472	49%
Total Expenses	732,394	1,474,298	673,289	50%

RochesterWorks! System
Budget Vs. Actual
May 1, 2016 - December 31, 2016
TANF / Summer Youth Employment Program

	Actual	Budget	Remaining	% Remaining
RWI Operational Expenses				
Salaries	40,570	50,756	10,186	20%
Fringe Benefits	9,687	14,618	4,931	34%
Contract Services	60,544	60,000	-544	-1%
Other Operational Expenses	16,330	12,765	-3,565	-28%
Total Operational Expenses	127,131	138,139	11,008	8%
Provider Payments				
Summer Youth Employment Program	400,289	450,000	49,711	11%
Total Provider Payments	400,289	450,000	49,711	11%
Direct Service Expenses				
Client Services	20,011	36,000	15,989	44%
Wage Subsidies	399,604	455,000	55,396	12%
Total Direct Services	419,615	491,000	71,385	15%
Other Expenditures				
Monroe County Monitoring & Oversight	11,620	9,600	-2,020	-21%
Total Expenses	958,655	1,088,739	130,084	12%

RochesterWorks! System
Funds Available Vs. Expenditures/Obligations

July 1, 2016 - December 31, 2016

	Adult	Youth	Dis. Worker	Admin	TAA Training	TANF	FLH	LEAP 2	Other Revenue	TOTAL
Funding Available to Date										
Grant Revenue - WIOA	1,177,014	511,019	216,160	168,600						2,072,793
Grant Revenue - TANF						927,685				927,685
Grant Revenue - TAA					139,127					139,127
Grant Revenue - LEAP 2								34,126		34,126
Grant Revenue - FLH							458,468			458,468
Grant Revenue - WEP/EAP									108,560	108,560
Other Revenue									19,188	19,188
Total Funding Available to Date	1,177,014	511,019	216,160	168,600	139,127	927,685	458,468	34,126	127,748	3,759,945
EXPENDITURES										
Salaries	548,282	162,069	211,174	67,585		24,763	144,773	24,428	301,966	1,485,039.32
Fringe Benefits	130,629	37,512	56,413	22,334		5,609	32,126	6,350	75,702	366,674.62
Insurance	1,326	541	844	231		154	1,117		8,533	12,746.17
Rent	51,671	14,313	20,305	2,274		1,936	3,981		9,737	104,216.60
Building Maintenance	5,391	1,289	2,404	50		135	198		1,229	10,697.01
Utilities	3,997	1,057	1,756	24		158	267		649	7,909.00
Telephone	7,830	2,753	3,479	585		258	1,224		4,391	20,520.27
Office Supp./Pub. & Sub./Software	6,781	2,206	2,937	1,006		1,140	668	14	2,645	17,398.35
Printing/Postage	2,192	747	991	637		85	59	7	1,339	6,056.89
Equipment	7,620	1,945	3,528	553		29	2	3,213	4,245	21,134.75
Travel	1,491	2,133	637	298		2,592	2,797	56	326	10,330.00
Training/Professional Dev.	1,992	1,547	837	143		147	82	3	22,810	27,560.21
Meetings/Membership Dues	1,803	1,539	679	301		6,465	103		1,736	12,625.72
Contract Services	2,924	687	1,284	28,845		41,042			-6,460	68,323.22
General Accruals	11,705	11,377	9,622	3,392					0	36,096.43
Total RWI Operational Expenses	785,634	241,715	316,891	128,259	0	84,513	187,398	34,071	428,848	2,207,328
WIA Youth - In School	0	74,969	0	0	0	0	0	0	0	74,969.44
WIOA Youth - In School WE		1,685								1,685.47
WIA Youth - Out of School	0	253,476	0	0	0	0	0	0	0	253,476.95
WIOA Youth - Out of School WE		8,958								8,958.47
MC Job Readiness Training									20,711	20,710.60
FLH Contracts	-	0	-	0	0	0	83,485		0	83,485.23
Summer Youth Employment Pgrm	0	0	0	0	0	400,289	0		0	400,288.78
Provider Payments	0	339,089	0	0	0	400,289	83,485	0	20,711	843,573.94
Individual Assessment/Training	263,905	4,531	62,406		137,431		303,598	55.50	(671)	771,255.06
Business Training Grants/Customized	49,821	0	-	0	1,125	0	140,662		65,287	256,894.76
Client Services	4,816	18,237	4,021	385	-	20,041	3,779		813	52,093.58
Wage Subsidies	17,697	48,002	6,340	0	0	399,604	13,473		523	485,638.97
Direct Service Expenses	336,239	70,770	72,767	385	138,556	419,645	461,512	56	65,952	1,565,882.37
Advertising/Outreach	1,051	248	503	61	0	16	36		6,531	8,445.15
Monroe County Oversight	43,833	30,131	18,641	22,494	0	9,128	0		2,404	126,630.10
Other Expenses	44,884	30,379	19,144	22,555	0	9,143	36		8,935	135,076.25
Total Accrued Expenditures to Date	1,166,757	681,953	408,802	151,199	138,556	913,590	732,431	34,126	524,445	4,751,860.02
Balance Remaining	10,256	(170,934)	(192,643)	14,437.54	571	14,095	(273,963)	-	(396,697)	(991,915)
Obligations										
WIA Youth - In School	0	86,099	0	0	0	0	0	0	0	86,099
WIA Youth - Out of School	0	339,315	0	0	0	0	0	0	0	339,315
WIOA Youth - Out of School WE	0	48,931	0	0	0	0	0	0	0	48,931
Individual Assessment/Training	17,260	0	8,991	0	0	0	0	0	0	26,251
Business Training Grants/Customized	16,272	0	0	0	0	0	37,859	0	1,528	55,660
General Obligations	21,275	11,500	24,725	0	0	0	306,113	0	0	363,613
Monroe County Oversight	120,349	81,456	49,839	63,438	0	0	0	0	0	315,083
Total Obligations	175,156	567,301	83,556	63,438	0	0	343,971	0	1,528	1,234,950
Total 16/16 Accrued/Oblig Funds	1,341,913	1,249,264	492,358	214,637	138,556	913,590	1,076,402	34,126	525,974	5,986,810

**RochesterWorks! System
Individual Training Accounts (ITAs) by Provider
July 1, 2016 - Sept. 30, 2016**

Vendor	Participants			Total Participants	Adult	Dislocated Worker	TAA	Youth	Total	%	AVG COST/ PART.
	Adult	DW	TAA								
Professional Driving Institute (PDI)	6	2	9	17	15,675	5,490	48,850		70,015	13.8%	4,119
Wayne Finger Lakes BOCES	34	4		38	56,557	8,169			64,726	12.8%	1,703
Isabella Graham School of Nursing	23	2		25	53,485	5,440			58,925	11.6%	2,357
Finger Lakes Community College	27		1	28	53,894	7,880	2,658		56,552	11.1%	2,020
Monroe Community College	4	5	13	22	6,908	9,524	39,326		54,114	10.7%	2,460
Genesee Valley BOCES	18	5		23	35,392	7,800	13,600		44,916	8.9%	1,953
Monroe #2 Orleans BOCES	7	2	3	12	22,546	4,500		4,500	43,946	8.7%	3,662
Monroe #1 BOCES	7	1		9	27,600	8,076	5,242		36,600	7.2%	4,067
Greece Community Education	2	2	5	9	3,910		11,734		17,228	3.4%	1,914
Rochester Institute of Technology			1	1		2,500	6,937		11,734	2.3%	11,734
Bryant & Stratton		1	2	3			5,009		9,437	1.9%	3,146
SUNY Brockport			1	1	5,000				5,009	1.0%	5,009
Onondaga School of Therapeutic Massage	1			1			4,320		5,000	1.0%	5,000
Lifespan			1	1					4,320	0.9%	4,320
Canandaigua Driving School	1	1		2	2,000	2,000			4,000	0.8%	2,000
ONLC		1		1		3,913			3,913	0.8%	3,913
Genesee Community College			1	1			3,369		3,369	0.7%	3,369
SUNY Empire			1	1			3,000		3,000	0.6%	3,000
Marion S. Whelan School of Prct'l Nursing	2			2	2,708				2,708	0.5%	1,354
Relocation			1	1			1,576		1,576	0.3%	1,576
Rochester City School District			1	1			1,500		1,500	0.3%	1,500
Hale Tech in Practice			1	1			1,400		1,400	0.3%	1,400
REOC	3			4	1,115		70		1,185	0.2%	296
Terphane Inc			1	1			1,125		1,125	0.2%	1,125
CADimensions			1	1			1,000		1,000	0.2%	1,000
TOTAL	135	26	44	206	286,791	65,292	150,715	4,500	507,298	100.00%	
Average Cost Per Participant					2,124	2,511	3,425	0			2,475