

Partner4Work
Executive Committee
8 a.m. Dec. 9, 2019 (postponed from November 13, 2019)
Via conference call: (412) 430-0330; 529031

1. Welcome and roll call
2. General Business – Consent Agenda
ACTION: Approve the Minutes from September 6, 2019
3. Creative services to support Industry Partnerships
ACTION: Award a \$23,500 contract to the Pipitone Group for creative services for positioning, messaging, and materials to communicate the value of P4W's industry partnerships and strategic business services.

4. P4W Governance

New Board members

- Kevin Acklin, Pittsburgh Penguins
- Rich Casoli, Beemac Trucking
- Tom Croft, Steel Valley Authority
- Duke Rupert, Allegheny General Hospital
- Linda Topoleski, Allegheny Conference on Community Development

Interim officer

- Steve Massaro, Interim Treasurer

Proposed Board and Executive Committee dates for 2020

Executive (8:30 to 10)

Feb. 21

May 29

Sept. 11

Nov. 20

Board (8:30 to 10)

March 27

June 26

September 25

December 11

5. P4W Financial Statements *Ray Herron*
6. Organizational transition plans *Earl Buford*
7. Board meeting agenda setting for Dec. 18, 2019
 - a. Chairman and CEO report -
Includes: Modifications to the Local and Regional Workforce Development plans, grants received, modifications to P4W's supportive services and follow-up services policies, awarding of Dislocated Worker and Transitional Jobs contracts)
 - b. Committee reports (organizational search plans), Finance, Governance

c. Discussion of signature accomplishments: (Lower Hill Redevelopment); Supporting job seekers and workers (BankWork\$ success stories); best practices in funding collaboratives (Heinz Endowments and Kellogg Foundation); telling our story (engaging Pipitone Group in outreach and communication tools).

8. Other Committee Business

9. Open Forum and Public Comment
Speakers are limited to three (3) minutes

10. Adjournment

Partner4Work Executive Committee Minutes

8:30 AM September 6, 2019

In person and conference call at (412) 430-0330; 529031

Participating: Joe Belechak, Debbie Caplan, Laura Ellsworth, Darrin Kelly, Lisa Kuzma, Dave Malone

Staff: Earl Buford, Ray Herron, McCrae Martino, Jennifer Pajewski

Guests: Jennifer Nestor, Labor and Industry

Chair Dave Malone opened the meeting at 8:30 a.m. with roll call and a review of the Minutes from July 29, 2019, and August 2, 2019.

With no additions or corrections, the minutes were accepted for the record.

TITLE I TRANSITION UPDATE

In a continued conversation, COO Ray Herron updated the group on a data integrity issue first raised in July when Grant Associates questioned past practice of United Labor Agency (ULA).

Since initial conversation, United Labor Agency requested access to CWDS to review case files. Partner4Work staff and ULA would sit side-by-side to review files. Final payments to ULA are on hold until any potential issues are resolved. Mr. Herron assured the group that proper processes and procedures would be followed to ensure compliance in resolving the issue.

NEGOTIATED PERFORMANCE MEASURES

P4W staff announced that P4W met or exceeded all negotiated performance measures for the previous year.

BOARD MEETING AGENDA SETTING

The group agreed that the September 27 meeting should focus on key accomplishments and best practices. Items to include: PartnerUp, BankWork\$, and Intro to the Construction Trades.

Other Business

The group discussed delaying strategic planning until the first quarter of 2020 to allow more time to assess the progress of the intermediate strategic plan (the transition plan).

Public comment

There was no public comment.

On a motion by Deb Caplan, seconded by Lisa Kuzma, the meeting adjourned at 9:03 a.m.

MEMORANDUM

TO: Partner4Work Executive Committee
FROM: Ray Herron
DATE: December 9, 2019
RE: September 30, 2019 Financial Statements

I have enclosed the September 30, 2019 Financial Statements. The following represents a more detailed narrative surrounding these Financials.

Statement of Financial Position (Page 1):

- The cash balance of approximately \$4 million is consistent from year to year.
- The A/R balance increased by \$1.4 million, which was caused by the following:
 - Federal DWG Grant had activity in FY2020 not FY2019 - \$400,000
 - PA Smart Grants had activity in FY2020 not FY2019 - \$300,000
 - The timing of Learn and Earn payments between years - \$700,000
- The A/P balance of \$3.4 million is comparable to the Unrestricted A/R balance

Net Asset Rollforward (Page 2):

- Sector Strategies Fundraising:
 - BankWorks \$130,000 from various banks
 - Early Childhood Education Program \$175,000 from Heinz
- Learn and Earn Release - \$850,000 less than prior year due to timing of invoicing from Learn and Earn Providers

Statement of Activities (Page 3):

- The Statement of Activities shows actual activity for the 1st Quarter FY2020 based on Type of Funding Source / Program.
- There was no change in Unrestricted Net Assets for this period, which is consistent with other periods.
- The Midwest Urban Strategies represents costs that will be reimbursed by the entity by year-end.
- The next page (4) represents the comparison of these categories to the budget and this time last year.

Statement of Activities Comparison by Funding Source/Program (Page 4):

- Federal WIOA increase of \$500,000
 - STRIVE Grant (Increased by \$135,000) – Started 7/1/2018
 - DWG Grant (Increased by \$365,000) – Started 10/1/2018; no expenses in prior year
- Sector Strategies increased by \$230,000 due to the addition of the PA SMART Grants
- Learn & Earn decreased by \$850,000 due to the timing of Provider invoicing

Management & General Analysis (Page 5):

- Overall expenses decreased by \$70,000 due to the approval of the Negotiated Indirect Cost Rate with the Federal DOL. Management & General for the prior year was adjusted in the final quarter for the change to the Direct Allocation Method. The overall overhead cost rate was 7.3% at 9/30/2019.

Income / Expense Analysis (Page 6):

- Direct Program Costs (decreased by \$790,000) – This decrease is primarily connected to the timing of the Learn and Earn providers invoicing for the program year.
- Salary, Wages and Benefits (increased by \$400,000) – This increase is directly connected to the infrastructure building over the past year. Employee count went from 32 to 48 from year to year.
- Contracted Services (increased by \$100,000) – New DWG Grant had consulting and other related services included in Grant.

Partner4Work
Statement of Financial Position
As of September 30, 2019

	Unrestricted	Temporarily Restricted	
ASSETS			
Current Assets			
Checking/Savings	\$ 688,684	\$ 3,622,314	\$ 4,310,998
Accounts Receivable	\$ 3,414,785	\$ 1,864,600	\$ 5,279,385
Other Current Assets	\$ 107,336	\$ -	\$ 107,336
Total Current Assets	\$ 4,210,805	\$ 5,486,914	\$ 9,697,719
Other Assets			
Fixed Assets (net of depreciation)	\$ 57,965	\$ -	\$ 57,965
Other Assets	\$ 6,066	\$ -	\$ 6,066
Total Other Assets	\$ 64,031	\$ -	\$ 64,031
TOTAL ASSETS	\$ 4,274,836	\$ 5,486,914	\$ 9,761,750
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Due to Subrecipients	\$ 3,190,580	\$ -	\$ 3,190,580
Accounts Payable	\$ 231,207	\$ -	\$ 231,207
Advance Payments	\$ -	\$ -	\$ -
Other Current Liabilities	\$ 88,953	\$ -	\$ 88,953
Total Current Liabilities	\$ 3,510,740	\$ -	\$ 3,510,740
Total Liabilities	\$ 3,510,740	\$ -	\$ 3,510,740
Net Assets			
Unrestricted	\$ 764,096	\$ -	\$ 764,096
Temporarily Restricted	\$ -	\$ 6,440,004	\$ 6,440,004
Current Period Activity	\$ 0	\$ (953,090)	\$ (953,090)
Total Net Assets	\$ 764,096	\$ 5,486,914	\$ 6,251,010
TOTAL LIABILITIES & NET ASSETS	\$ 4,274,836	\$ 5,486,914	\$ 9,761,750

**Partner4Work
Net Asset Rollforward
As of September 30, 2019**

TEMPORARILY RESTRICTED FUNDS						
	Miscellaneous	Sector Strategies	Place Based Strategies	Adult TANF	Learn & Earn	Total
Balances as of July 1, 2019	\$ 62,303	\$ 169,733	\$ 79,491	\$ 3,612,035	\$ 2,516,442	\$ 6,440,004
Activity: July 1, 2019 to September 30, 2019						
CY Additions to Temp Restricted Fd:						
Restricted Grants Received:						
Corporate Sponsorships		130,000			5,000	135,000
Foundations		175,000				175,000
Sub-Total	-	305,000	-	-	5,000	310,000
Reimb. received from Rest Grants:						
Urban Strategies CNI	-	-	17,728	-	-	17,728
State Grants	-	266,342	-	-	-	266,342
Sub-Total	-	266,342	17,728	-	-	284,070
Total Rest. Funds Received:	-	571,342	17,728	-	5,000	594,070
Expenses incurred this period related to these restricted programs:						
	-	(343,777)	(29,874)	-	(1,173,509)	(1,547,160)
Net Activity: July 1, 2019 to September 30, 2019	-	227,565	(12,146)	-	(1,168,509)	(953,090)
Fund Balance Balance at 9/30/2019	\$ 62,303	\$ 397,298	\$ 67,345	\$ 3,612,035	\$ 1,347,933	\$ 5,486,914
AR Balance at September 30, 2019	-	-	-	(516,667)	(1,347,933)	(1,864,600)
TR Cash Balance at September 30, 2019	\$ 62,303	\$ 397,298	\$ 67,345	\$ 3,095,368	\$ -	\$ 3,622,314
Assets Released from Restriction (as presented on the Statement of Activities):						
						Expenses incurred this period related to these restricted programs
						\$ (1,547,160)
						Less: Reimbursements received from Restricted Grants
						284,070
						Assets Released from Restriction
						\$ (1,263,090)

Partner4Work
Statement of Activities
July 1, 2019 through September 30, 2019

	Reimbursement Contracts						Restricted Grants				Total Program (Unrestricted)	Total Unrestricted	Temporarily Restricted	TOTAL	
	Management & General	Midwest Urban Strategies	Allegheny County WIOA	City of Pittsburgh WIOA	TANF	PA CareerLink	Federal WIOA	Sector Strategies	Place Based Strategies	Learn & Earn					
	(Unrestricted)	(Program)	(Program)	(Program)	(Program)	(Program)	(Program)	(Program)	(Program)	(Program)					
Ordinary Income/Expense															
Income															
4000 · Public Funds/Government Gran	0	45,812	794,208	485,596	1,084,405	106,844	614,045	266,342	17,728	0	3,414,980	3,414,980	0	3,414,980	
4200 · Foundation & Private Contrib	112	0	0	0	0	0	0	0	0	0	0	112	310,000	310,112	
4300 · Interest	619	0	0	0	0	0	0	0	0	0	0	619	0	619	
4400 · Inter-Fund Transfer	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4700 · Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4800 · Assets Released frm Restrictior	0	0	0	0	0	0	0	77,435	12,146	1,173,509	1,263,090	1,263,090	(1,263,090)	0	
4999 · Do Not Post to this Item.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Income	731	45,812	794,208	485,596	1,084,405	106,844	614,045	343,777	29,874	1,173,509	4,632,258	4,632,989	(953,090)	3,679,899	
Expense															
5000 · Direct Program Expenses	0	0	502,365	293,037	880,936	106,844	391,224	207,162	24,637	978,304	3,384,509	3,384,509	0	3,384,509	
5200 · Salary, Wages, and Benefits	252,918	39,803	212,365	120,129	109,340	0	62,789	104,246	4,181	109,396	762,249	1,015,167	0	1,015,167	
5350 · Communication	742	0	0	0	0	0	0	1,262	0	127	1,389	2,131	0	2,131	
5370 · Contracted Service	12,481	0	14,138	6,444	12,150	0	82,868	21,375	0	2,250	139,225	151,706	0	151,706	
5400 · Depreciation Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5450 · Equipment Expense	8,725	0	0	0	0	0	0	0	0	0	0	8,725	0	8,725	
5500 · Fiscal	5,223	0	0	0	0	0	0	0	0	0	0	5,223	0	5,223	
5650 · Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5660 · Information Technical Service	4,081	36	0	0	0	0	0	0	0	0	36	4,117	0	4,117	
5700 · Legal Expense	476	0	350	350	0	0	0	0	0	0	700	1,176	0	1,176	
5750 · Materials / Supplies	4,135	0	0	0	0	0	645	0	0	335	980	5,115	0	5,115	
5760 · Meeting Expense	4,649	0	341	221	659	0	22	93	52	4,215	5,603	10,252	0	10,252	
5770 · Memberships	13,335	0	0	0	0	0	0	0	0	0	0	13,335	0	13,335	
5850 · Other Miscellaneous	358	0	0	0	0	0	0	0	0	0	0	358	0	358	
5900 · Postage / Messenger	350	0	0	0	0	0	0	0	0	0	0	350	0	350	
5940 · Publications	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5950 · Rent	13,891	0	10,973	6,207	5,650	0	3,244	5,387	216	5,653	37,330	51,221	0	51,221	
6000 · Staff Administration	2,281	0	0	0	0	0	0	0	0	0	0	2,281	0	2,281	
6050 · Telephone	7,315	0	0	0	0	0	0	0	0	1,208	1,208	8,523	0	8,523	
6060 · Temporary Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6070 · Training	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6080 · Travel & Conference	7,579	1,808	1,275	1,275	0	0	1,981	450	0	0	6,789	14,368	0	14,368	
6900 · Distributed Costs	(337,808)	4,165	52,401	57,933	75,670	0	71,272	3,802	788	72,021	338,052	244	0	244	
Total Expense	731	45,812	794,208	485,596	1,084,405	106,844	614,045	343,777	29,874	1,173,509	4,632,258	4,632,989	0	4,632,989	
Net Ordinary Income	0	0	0	0	0	0	0	0	0	0	0	0	(953,090)	(953,090)	
Net Income	0	0	0	0	0	0	0	0	0	0	0	0	(953,090)	(953,090)	

(A)

Partner4Work
Statement of Activities Comparison by Program Category
September 30, 2019

	FY2020	9/30/2019	9/30/2018	
	Budget	Actual	Actual	Comparison
Management & General	\$ 3,500	\$ 731	\$ -	\$ 731
Midwest Urban Strategies	\$ -	\$ 45,812	\$ -	\$ 45,812
Allegheny County WIOA	\$ 4,261,500	794,208	552,282	\$ 241,926
City of Pittsburgh WIOA	\$ 3,877,051	\$ 485,596	\$ 416,506	\$ 69,090
TANF	\$ 6,887,834	\$ 1,084,405	\$ 1,300,582	\$ (216,177)
Federal WIOA	\$ 6,368,691	\$ 614,045	\$ 75,513	\$ 538,532
Sector Strategies	\$ 1,212,022	\$ 343,777	\$ 114,494	\$ 229,283
Place Based Strategies	\$ 150,000	\$ 29,874	\$ 58,567	\$ (28,693)
Learn & Earn	\$ 3,173,100	\$ 1,173,509	\$ 2,018,058	\$ (844,549)
Total	<u>\$ 25,933,698</u>	<u>\$ 4,571,957</u>	<u>\$ 4,536,002</u>	<u>\$ 35,955</u>

Partner4Work
Management & General Analysis
September 30, 2019

	<u>ANNUAL</u> <u>BUDGET</u>	<u>9/30/2019</u> <u>ACTUAL</u>	<u>9/30/2018</u> <u>ACTUAL</u>	<u>VARIANCE</u>
Ordinary Income/Expense				
Income				
4200 · Foundation & Private Contrib	0	112	3,138	(3,026)
4300 · Interest	3,500	619	807	(188)
Total Income	<u>3,500</u>	<u>731</u>	<u>3,945</u>	<u>(3,214)</u>
Gross Profit	<u>3,500</u>	<u>731</u>	<u>3,945</u>	<u>(3,214)</u>
Expense				
5200 · Salary, Wages, and Benefits	1,155,715	252,918	245,720	7,198
5350 · Communication	35,000	742	1,176	(434)
5370 · Contracted Service	25,000	12,481	21,977	(9,496)
5400 · Depreciation Expense	15,000	0	0	0
5450 · Equipment Expense	50,000	8,725	21,462	(12,737)
5500 · Fiscal	55,000	5,223	4,505	718
5650 · Insurance	15,000	0	5,540	(5,540)
5660 · Information Technical Service	200,000	4,081	16,673	(12,592)
5700 · Legal Expense	15,000	476	350	126
5750 · Materials / Supplies	25,000	4,135	6,183	(2,048)
5760 · Meeting Expense	25,000	4,649	13,720	(9,071)
5770 · Memberships	40,000	13,335	2,875	10,460
5850 · Other Miscellaneous	0	358	246	112
5900 · Postage / Messenger	2,500	350	557	(207)
5940 · Publications	2,500	0	0	0
5950 · Rent	83,000	13,891	33,271	(19,380)
6000 · Staff Administration	20,000	2,281	8,692	(6,411)
6050 · Telephone	20,000	7,315	8,276	(961)
6080 · Travel & Conference	35,000	7,579	20,536	(12,957)
6900 · Distributed Costs	(1,815,215)	(337,808)	(407,814)	70,006
Total Expense	<u>3,500</u>	<u>731</u>	<u>3,945</u>	<u>(3,214)</u>
Net Ordinary Income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Partner4Work
Income / Expense Analysis
September 30, 2019

	BUDGET	9/30/2019 ACTUAL	9/30/2018 ACTUAL	Increase (Decrease) VARIANCE
Ordinary Income/Expense				
Income				
4000 · Public Funds/Government Grant	\$ 23,660,068	\$ 3,414,980	\$ 2,818,983	\$ 595,997
4200 · Foundation & Private Contrib	\$ -	\$ 112	\$ -	\$ 112
4300 · Interest	\$ 3,500	\$ 619	\$ 807	\$ (188)
4800 · Assets Released frm Restriction	\$ 2,270,130	\$ 1,263,090	\$ 2,151,308	\$ (888,218)
Total Income	\$ 25,933,698	\$ 4,678,801	\$ 4,971,098	\$ (292,297)
Expense				
5000 · Direct Program Expenses	\$ 20,285,521	\$ 3,384,509	\$ 4,173,591	\$ (789,082)
5200 · Salary, Wages, and Benefits	\$ 4,012,427	\$ 1,015,167	\$ 608,767	\$ 406,400
5350 · Communication	\$ 80,000	\$ 2,131	\$ 1,618	\$ 513
5370 · Contracted Service	\$ 583,250	\$ 151,706	\$ 37,065	\$ 114,641
5400 · Depreciation Expense	\$ 15,000	\$ -	\$ -	\$ -
5450 · Equipment Expense	\$ 76,000	\$ 8,725	\$ 21,462	\$ (12,737)
5500 · Fiscal	\$ 55,000	\$ 5,223	\$ 4,505	\$ 718
5650 · Insurance	\$ 15,000	\$ -	\$ 5,540	\$ (5,540)
5660 · Information Technical Service	\$ 248,500	\$ 4,117	\$ 16,673	\$ (12,556)
5700 · Legal Expense	\$ 25,000	\$ 1,176	\$ 2,110	\$ (934)
5750 · Materials / Supplies	\$ 52,500	\$ 6,110	\$ 7,046	\$ (936)
5760 · Meeting Expense	\$ 90,000	\$ 10,252	\$ 14,760	\$ (4,508)
5770 · Memberships	\$ 40,000	\$ 13,335	\$ 2,875	\$ 10,460
5900 · Postage / Messenger	\$ 2,500	\$ 350	\$ 557	\$ (207)
5940 · Publications	\$ 2,500	\$ -	\$ -	\$ -
5950 · Rent	\$ 207,500	\$ 51,221	\$ 33,271	\$ 17,950
6000 · Staff Administration	\$ 20,000	\$ 2,281	\$ 8,982	\$ (6,701)
6050 · Telephone	\$ 20,000	\$ 8,523	\$ 8,276	\$ 247
6080 · Travel & Conference	\$ 103,750	\$ 14,368	\$ 24,995	\$ (10,627)
6900 · Distributed Costs	\$ (750)	\$ 244	\$ -	\$ 244
Total Expense	\$ 25,933,698	\$ 4,678,801	\$ 4,971,098	\$ (292,297)
Net Income	\$ -	\$ 0	\$ -	\$ 0