

Board of Directors Meeting

**Wednesday, December 4, 2019
10:00 a.m. to 11:00 a.m.**

**Overture Center for the Arts
201 State Street
Madison, WI 53703-2214**

Members Present: Pam Christenson, Chair; Joe Ledger, Melissa Montey, Elizabeth Roddy, Francis Langer, Chuck Klein, Lisa Pollard, Ed White, Rich Hands, Calvin White Eagle, Nick Lampone, Pam Korth, Michelle Eilbes, Melanie Bruins, Paul Dietmann, Todd Kearney, Ann McNeary, Dave Branson, Bryan Woodhouse, Margaret Leitinger, Linda Mingus, Kevin Gundlach, John Lalor, Dave Branson, Ann McNeary, Charles Poches

Staff Present: Seth Lentz, Danica Nilsestuen, Erin Bechen, Kim Larson, Alex Maves, Briana Shekels, Alicia Vann, Chris Ziegel

Guest Present: Michelle Knutson, Wipfli

Agenda Item 1 – Introductions & Announcements

Christenson welcomed everyone, called the meeting to order at 10:08 a.m., and noted there was no one registered for public comment. Everyone introduced themselves.

Agenda Item 2 – Review and Approval of the September 25, 2019 Board Meeting Minutes

Christenson asked for a motion to approve the minutes of the September 25, 2019 Full Board meeting minutes as presented. Mingus moved to approve and McNeary offered the second. No discussion followed on this motion. The vote was unanimous in favor of the motion.

Agenda Item 3 – Report of the Executive Committee

Christenson mentioned the last Executive committee meeting on November 21 covered financial quarter-end in September, preparation of Slate of Officer nominations, and updates on the Independent Living (IL) grant.

Lentz noted the IL grant is a single-year grant, renewable for up to five (5) years. The grant is a collaboration with the Waukesha-Ozaukee-Washington (WOW) and Southwest Workforce Development Boards encompassing fifteen counties with the focus on youth aging out of foster care.

Christenson added lease renewals were also discussed as well as a source code purchase for the financial accounting software utilized by the WDBSCW.

Agenda Item 4 – Election of Workforce Development Board Officers

Christenson reminded the Board of the prior election of Laura Cataldo as Chair of the Workforce Development Board of South Central Wisconsin, serving from January 1, 2020 to December 31, 2021.

Christenson stated that the Executive Committee of the Board wishes to advance the nomination of Francis Langer as the Chair-Elect, Elizabeth Roddy as Secretary, and Paul Dietmann as Treasurer of the Workforce Development Board of South Central Wisconsin from January 1, 2020 to December 31, 2021.

She asked if there are any additional nominations from the floor. Hearing none, Christenson asked for a motion.

Christenson asked for a motion to elect Francis Langer as the Chair-Elect, Elizabeth Roddy as Secretary, Paul Dietmann as Treasurer of the WDBSCW from January 1, 2020 to December 31, 2021. White moved to approve the motion as presented. Kearney offered the second. No discussion followed on this motion. The vote was unanimous in favor of the motion.

Agenda Item 5 – Presentation and Acceptance of the Workforce Development Board Annual Fiscal Audit

Dietmann noted the Audit committee has accepted the annual agency-wide audit report for year ending June 30, 2019 and introduced Michelle Knutson from Wipfli.

Knutson noted an unmodified/clean opinion with no findings for compliance in accordance with uniform guidance. Fiscal Year 2019 contained testing on the WIOA cluster which is 81% of the federal expenses for the WDBSCW. Changes in the audit report for this year include accounting standards update for not-for-profit financial reporting standards:

- Net Assets have been reclassified down to two (2) categories; *Unrestricted Net Assets* are now labeled as *Without Donor Restrictions* and *Temporarily or Permanently Restricted Net Assets* are now labeled as *With Donor Restrictions*.
- Expenses are now shown by category on a functional basis.
- Accounting Standards Updates (ASU) issued by the Financial Accounting Standards Board (FASB) requires liquidity and availability disclosure; general expenditures within the next 5 months. The WDBSCW does not have a formal liquidity policy. Future grant commitment of \$3,000,000 contracted but not spent out by June 30, 2019.

Knutson continued with the Operating Statistics, which are compared over the last four (4) years and demonstrates consistency with other nonprofits. Current ratio of assets over liabilities is 1.08. The Department of Corrections LEAP Grant ended Fiscal Year 2018 which accounts for one less grant and

WIOA total expenses decreased 10% year-over-year. Net Assets Without Donor Restrictions increased by Jobs with a Future at \$43,580. Grants Receivable and Accounts Payable have increased year-over-year due to timing of payouts received and sent.

Knutson highlighted the Statement of Activities containing the correlated reduction in grant revenue and program activity expenses; an increased in WIOA-based project expenses which includes funding for WWDA, Rapid Response, and Dislocation grants; and an increase in other projects which includes funding for Independent Living, Apprenticeship Expansion, WAGE\$, Fast Forward, Local Youth Apprenticeship, and W2W grants.

Knutson touched on the Statement of Cash Flows and mentioned the WDBSCW has no investing or financing activities. She continued with upcoming announcements including:

- Revenue Recognition: As grants received are conditional contributions, the extent of recognition entails a footnote on next years' audit report explaining how revenue is earned.
- Leases over 12 months must be on the balance sheet, whereas currently they are accounted for as operating leases.
- Clarifying the scope of contributions received and made: Grants received will fall under *contributions received* and funds given to subcontractors will fall under *contributions made*.

Knutson finished stating no current or prior year management letter and no recommendations; everything is clean and in order.

Langer requested detail on specific items contained within management and general expenses.

Knutson summarized costs incorporated are essential to running the organizations, which include overhead staffing and costs not specifically tied to a program. Lentz added the expenses are factored into forecasting of the budget. A close eye is kept on the federal allocation. Increases & reductions are anticipated based on the allocation. Staffing is then evaluated to support the work as service delivery should not be compromised. Diversification of the fund sources and acquiring additional grants are top priorities as federal allocation reduction in WIOA is predicted to continue with the increase in job availability and worker demand.

Dietmann requested a motion to accept the audit as presented. Leitinger motioned to accept the audit as presented. Kearney provided the second. No discussion followed on this motion. The vote was unanimous in favor of the motion.

The Board then transitioned to the luncheon part of the meeting.

Agenda Item 6 – Welcome Guests to the Annual Meeting – Annual Report and the Introduction of Video

Christenson welcomed everyone to the Annual Meeting and luncheon. She spoke about the 2018-2019 accomplishments and introduced the video.

Agenda Item 7 – Kevin Little Presentation – The Next Station

Christenson welcomed Kevin Little, Vice President of the Greater Madison Chamber of Commerce. Little provided an overview of the Madison region and ongoing initiatives to further workforce development and the regional economy.

Agenda Item 8 – Aspire and Champions in Action Awards

Ledger and Roddy presented the 2019 Aspire and Champions in Action Awards.

Agenda Item 9 – Thank You and Meeting Adjournment

With no additional business for the board, Christenson asked for a motion to adjourn at 1:01 p.m.

Adjourned: 1:01 p.m.

Respectfully Submitted:

Francis Langer
Board Secretary
Workforce Development Board of South Central Wisconsin, Inc.

Attachment for Board Records:

- Minutes from September 25, 2019
- PowerPoint Presentation
- Strategic Planning Timeline 2019-2020
- WDBSCW Goals Worksheet
- SCM Mission Vision Values Flyer
- Financials Ending June 30, 2019