

## **Audit Committee Exit Conference**

**Todd Kearney, Chair  
Melanie Bruins  
Kathy Cromey  
Paul Dietmann  
Alan Langeteig  
Dave Robinson**

**Wednesday, December 9, 2020  
9:00 a.m. to 9:30 a.m.**

**Workforce Development Board  
via Conference Call  
(929) 205-6099  
Meeting ID: 988 1707 5148**

**Members Present:** Todd Kearney, Chair; Melanie Bruins, Kathy Cromey, Paul Dietmann, Alan Langeteig, Dave Robinson

**Staff Present:** Seth Lentz, Chris Ziegel, Lameece Tyne, Jackie Hall, Jeff Westra, Alexander Allon

**Guests Present:** Michelle Knutson, Wipfli

### **Agenda Item 1 – Introductions and Announcements**

Kearney welcomed everyone and called the meeting to order at 9:01 a.m. Kearney noted that the meeting was properly noticed and a quorum was present.

### **Agenda Item 2 – Review and Approval of the September 17, 2020 Meeting Minutes**

Kearney asked for a motion to approve the minutes of the September 17, 2020 Audit Committee meeting as presented. Robinson moved to approve the minutes as presented. Dietmann offered the second. No discussion followed on this motion. The vote was unanimous in favor of the motion.

### **Agenda Item 3 – Annual Agency-wide Audit Exit Conference**

Knutson began with the highlights of the audit—Wipfli issued an unmodified opinion in regards to the financial statements and Notes to Financial Statements, the Report on Compliance and Internal Control, and the Report on Compliance for Major Programs. There were no deficiencies and no instances of non-compliance to report. Financial Year 2020 audit tested the WIOA cluster which constitutes 78% of federal dollars received.

Kearney recognized Tyne for her outstanding performance with no instances of non-compliance.



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Knutson reminded the Committee the WIOA clusters tested are the Adult, Dislocated Worker, and Youth programs. Programs are distinguished as either Type A or Type B. The threshold for distinguishing Type A programs consists of grants issued over \$750,000 and requires testing every three years. The WDBSCW does not have any Type B programs. Seventy-eight percent of federal dollars received were audited as a major program. The WDBSCW was determined to be a low risk auditee.

Knutson summarized the audit was performed following Generally Accepted Audit Standards, Government Auditing Standards, and Uniform Guidance.

Knutson continued with updates to the financial statements which include new policies for revenue recognition and contributions. WDBSCW does not have any significant estimates and disclosures are neutral, consistent, and clear. There were no difficulties encountered with the audit, no corrected and uncorrected misstatements, no disagreements with management, no consultations with other accountants, and no internal control related matters.

Knutson presented on the Statement of Financial Position, Statements of Activities, and Statements of Cash Flows highlighting three year' worth of activity. Amounts remain consistent with about a 19% decrease in expenditures and no depreciation.

Knutson outlined operating statistics and comparisons with six other Workforce Development Boards within Wisconsin. WDBSCW revenue and expenses are down 19% from last year. Program expenses are at 91.7% which is comparable to the other six boards audited, averaging at 91.8%. WDBSCW operates six (6) federal programs with WIOA expenditures totaling \$2.6 million and is 64% of total expenses. Current year change in Net Assets Without Donor Restrictions amounts to \$8,782.

Knutson finished with Upcoming Accounting Standards which include:

- ASU No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* - Revenue Recognition for Exchange Transaction. Making contributions as a provider will be effective June 30, 2021.
- ASU No. 2016-02, *Leases* – Leases with a term greater than 12 months will require recognition with a Right-of-Use Asset and Liability. This will affect the Baraboo/Sauk County lease as well as the main WDBSCW leases. Calculation and journal entry requirements going into the new fiscal year., which will be effective for WDBSCW's 6/30/2023 audit (if material).

Kearney opened up discussion for any further questions. No questions were raised.

Kearney requested motion to accept the audit as presented. Langeteig moved to approve the motion as presented. Bruins offered the second. No discussion followed on this motion. The vote was unanimous in favor of the motion.

#### **Agenda Item 4 – Adjournment**



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With no additional business for the Committee, Kearney moved to adjourn at 9:19 a.m.

Adjourned: 9:19 a.m.

Respectfully Submitted:

Elizabeth Roddy  
Board Secretary  
Workforce Development Board of South Central Wisconsin, Inc.

Attachment for Board Records:

- Agenda
- Draft Minutes from September 17, 2020
- Wipfli Audit Presentation



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