

## **Audit Committee Meeting Minutes – Exit Conference**

**November 2, 2017**

**9:00 a.m. to 10:00 a.m.**

**The Edgewater Hotel  
1001 Wisconsin Place  
Madison, WI**

**Members Present:** Paul Dietmann, Chair; Mel Bruins, Pam Christenson, Kathy Cromey, Alan Langeteig

**Staff Present:** Pat Schramm, Seth Lentz and Erin Bechen

**Guests Present:** Jean Christensen; WIPFLI

Dietmann called the meeting to order at 9:05 a.m. and noted that a quorum was present and the meeting was properly noticed.

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

Dietmann welcomed everyone and everyone introduced themselves.

### **Agenda Item 2 – Review and Approval of the September 18, 2017 Meeting Minutes**

Dietmann asked for a motion to approve the minutes of the September 18, 2017 Audit Committee meeting as presented. Christenson moved to approve the minutes as presented. Bruins offered the second. No discussion followed on this motion. The vote was unanimous in favor of the motion.

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

Jean Christensen provided an overview of the audit completion for the year ending June 30, 2017. She directed members to the handout titled Financial Statements and Supplementary Information – Years Ending June 30, 2017 and 2016.

Christensen highlighted a few areas.

Page 1 & 2 – Wipfli’s opinion which is unmodified, highest level. She noted that once the Board accepts the Financial Statements, they belong to the Board.

Page 3 – Statement of Financial Position

Balance Sheet – total assets are down from last year and this is due to a decrease in grants receivable. The Skills WI grant ended so there is less revenue coming through organization and thus less receivables. This is the off set on the liabilities which is down the same amount and is to be expected.



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She shared that Wipfli looks at the current ratio of assets vs liability. It is good to be at least 1 and the Board is 1.08.

Liabilities – Largest decrease is the accrued subcontract expense. Accrued payroll and vacation are up.

Net Assets – Accumulated profits. Unrestricted. Board doesn't have any net assets.

#### Page 4 – Statement of Activities

Revenue verses Expenses – Decrease in grant revenue; the skills WI grant is complete so that brought revenue down 560k. Off set with H1-B grant that brought additional revenue. The Workforce Innovation and Opportunity Act (WIOA), reentry programming and independent living grant all bring revenue up. Grant revenue – \$5.6 million.

Expenses – program, management and fundraising are primary areas. Program activities make up \$5.1 million. Adult and dislocated worker expenses are down but there was an increase in youth program.

Percentages – program expense over 90%. Management 8%. Fundraising is the difference. This is right in line with other WDB's.

Management is up but that is due to a comparison study and adjustments in payroll.

Schramm shared that we are looking for projects that fit in the vision of WIOA. We will see this number go up.

Schramm shared that the adjustment in salaries are done through the nonprofit times that compares positions nationally and according to the size of the organization. We had two positions that were off and we adjusted those positions accordingly.

Footnotes – No new or significant footnotes in the Financial Statements.

- Note 1 – Policies in preparing financial statements.
- Note 3 – Grants receivable footnote – where money is receivable from. Operating lease – some longer term lease commitments.
- Note 7 – Grant awards.

Page 10 – Schedule of expenditures and federal awards. Totals up to 5.2 million.

Page 12 and 13 – Audit opinion in accordance with GAS (Government Auditing Standards). Clean opinion.

Page 14 and 15 – Single audit opinion. Testing of a single program which was WIOA.

Everyone thanked Lameece Tyne for her work on the audit.

#### *Required Communication Letter*



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Christensen explained that this is an internal document addressed to the Board. There was no management letter because there are no finding or observations. The required communication just talks about the audit. No adjustments and no disagreements.

Christensen mentioned the new reporting standard for all nonprofit organizations. She noted that we will touch on this at next year's entrance conference as it is effective 6/30/19. She stated there is no need for early implementation.

She also made note of the liquidation disclosure and stated that if there are any restrictions that have to be used up by assets, we would subtract those from net assets.

**MOTION:** Dietmann asked for a motion to accept the audit as presented. Langeteig made a motion to accept the audit as presented. Cromey offered the second. No discussion followed on this motion. The vote was unanimous in favor of the motion.

Schramm shared that the Board asked Michelle and staff to look at Independent Living Grant and Michelle did affirm that there is a CFR and that we should follow that guidance and we have distributed that to our contractors.

#### **Agenda Item 4 - Adjournment**

With no additional business for the Committee, Dietmann moved to adjourn at 9:35 a.m.

Adjourned: 9:35 a.m.

Respectfully Submitted:

Brian Pulford

Board Secretary

Workforce Development Board of South Central Wisconsin, Inc.

Attachment for Board Records:

- Agenda
- Audit Committee Meeting Minutes from September 18, 2017
- Financial Statements and Supplementary Information
- Required Communication Letter



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