

**SWWDB – FINANCE COMMITTEE MEETING
MINUTES**

November 6, 2006
2:30 to 4:00 p.m.
Mr. Finley, Chairperson

The SWWDB Finance Committee met on Monday, November 6, 2006 at the SWWDB Administrative Office in Platteville, WI. Attendance was as follows:

Members Present:	Mr. James Finley, Chairperson	Mr. Randy Jacquet
	Mr. Tom Schraeder	Ms. Tammie Engelke
Members Excused:	Ms. Shari Schaff	Mr. Scott Stocker
Others Present:	Mr. David Odahl, Wegner LLP	
Staff Present:	Dr. Robert Borremans	Ms. Mary Kay Runde
	Ms. Annette Meudt	

Mr. Schraeder called the meeting to order at 2:30 p.m. with Mr. Finley taking over shortly thereafter.

1. **Presentation of Preliminary 2005-06 Audit and Exit Interview.** – (Information)

Mr. David Odahl, Senior Auditor for Wegner LLP, was on-site in October to do the annual independent audit fieldwork. The audit work has been completed, and Mr. Odahl was in attendance to present the Draft SWWDB Financial Statements for fiscal years ended June 30, 2005 and June 30, 2006. Mr. Odahl pointed Committee members to the Draft Audit Report (**Enclosure 1**). He explained the Statements of Financial Position and Activities, and Statements of Cash Flow. Ms. Meudt pointed out that the Unrestricted Assets increased \$12,050. The refund for the telephone company over-billing SWWDB and the sale of the Payment Authorization System (PAS) to two other Workforce Boards, attributed to the net gain in Unrestricted Assets. Mr. Odahl continued his presentation by explaining the Notes to Financial Statements, including the Line of Credit (which was not used during the fiscal year), Notes Payable, Leases and the SWWDB 401(k) plan.

Discussion was held on the Schedule of Revenues and Expenses by Funding Source and by Contract. Mr. Odahl addressed questions from Committee members and pointed out expenditures that had substantial increases over last fiscal year. Transportation is expenditure category that was higher due to a higher reimbursement rate, and the addition of the Business Services and Parent Mentor positions. The WISE program expenditures were increased due to a higher number of participants who were served in the program. Mr. Schraeder asked why the leased employee contracts for each County were not subtotaled. Ms. Meudt will have this breakdown on the quarterly financial statements that are presented to the Finance Committee and Board in December 2006.

Mr. Odahl next presented “The Schedule of Findings and Questioned Costs”. The Auditor’s Opinion was Unqualified with no findings or questioned costs. Although the State of Wisconsin Department of Workforce Development (DWD) identified disallowed costs of \$1,097.29 in the annual monitoring report, Mr. Odahl explained that the amount

was not considered "material" (generally questioned costs which are greater than \$10,000 for a federal program) for the Single Audit Report.

Mr. Odahl continued by sharing the following potential Management Letter comments:

1. Recommendation to review the SWWDB Conflict of Interest Policy to ensure that it is consistent with the policy provided by the Internal Revenue Service.
2. A recommendation to track all activities that would be considered "fundraising". He suggested that grant writing would be an activity that would be considered fundraising.
3. Review the Whistle-blower and Document Destruction policies to make sure that they comply with the Sarbanes-Oxley Act.

Dr. Borremans stated that this Audit Report re-established the faith he had that Ms. Meudt knows what she is doing, and does it in a timely and prompt manner. He added that she is always looking to improve the system, and put in process the controls necessary to protect the organization.

Dr. Borremans, Ms. Meudt, and Ms. Runde were excused so that the Finance Committee, which has been designated as the Audit Committee, had an opportunity to speak to Mr. Odahl without SWWDB staff present.

2. Other Business.

The 2006-2007 Audit contract renewal will be discussed at the next meeting. The Committee has the authority to extend the contract for two additional years if they choose to recommend this to the full Board in December.

3. Schedule Next Meeting.

The next Finance Committee meeting is scheduled for December 13th at 4:00 p.m. at the Chalet Landhaus in New Glarus. The next meeting will include a training on the Sarbanes-Oxley Act, the final audit report, the management letter and the SWWDB Administration response, review and possible renewal of the Audit Contract, and review and approval of the November 2006 quarterly financial statements.

4. Adjournment.

Ms. Engelke moved to adjourn the meeting, Mr. Schraeder seconded. Motion carried.