

**Finance Committee Meeting**  
Meeting Minutes  
**November 27, 2007**

The Finance Committee Meeting was held on November 27, 2007 at 4:00 p.m. at the Wisconsin Community Bank in Monroe. Attendance was as follows:

<b>Members Present:</b>	Mr. James Finley, Chairperson	Ms. Shari Schaff *
	Ms. Tammie Engelke	Mr. Tom Schraeder
<b>Members Excused:</b>	Mr. Randy Jacquet	Mr. Scott Stocker (Ex Officio)
<b>Guests Present:</b>	Mr. David Odahl, Wegner LLP	Mr. Scott Haumersen, Wegner LLP
<b>Staff Present:</b>	Dr. Robert Borremans	Ms. Mary Kay Runde
	Ms. Annette Meudt	

Mr. Finley called the meeting to order at 4:10 p.m. recognizing Ms. Schaff who joined the meeting via \*conference call.

**1. Presentation of Preliminary 2006-07 Audit and Exit Interview**

The Southwest Wisconsin Workforce Development Board (SWWDB) is required to have an annual independent audit. From October 15 - 19, 2007, Mr. David Odahl and his apprentice from Wegner LLP were on-site to conduct the fieldwork for the audit. The audit work has been completed and Mr. Odahl, CPA, along with Mr. Scott Haumersen, Managing Partner for Wegner LLP, presented the preliminary reports to the Finance Committee.

The following Draft Reports were presented at the meeting: SWWDB Financial Statements for the fiscal years ended June 30, 2006 and June 30, 2007, the Communication Letter with Audit Committees, the Communication of Significant Deficiency Letter, and the Management Letter. Dr. Borremans and Ms. Meudt will respond to the Management Letter and present an organizational response to the Finance Committee in January, 2008.

Mr. Odahl proceeded to explain the Financial Statements and noted items of interest to Committee Members. The first item included Wegner LLP's Unqualified Opinion, which is the highest rating an organization can receive on an audit. Mr. Odahl also explained that SWWDB remains a low-risk auditee, and noted that there were no questioned costs.

Ms. Meudt pointed out that the \$57,654 increase in Unrestricted Net Assets was from the program growth in Business Services as well as from the sale of the Payment Authorization System (PAS) Program to other Workforce Development Boards (WDBs). SWWDB also participated in a survey for UW-Stout that generated \$5,320 in unrestricted revenue. Mr. Haumersen explained how difficult it is for non-profit organizations to generate unrestricted dollars, and commended the Board staff for increasing assets by sixty percent (60%) over the previous fiscal year.

Mr. Odahl explained the items identified by Wegner LLP in the Management Letter. He precluded the discussion by explaining that in March 2006, the Auditing Standards Board (ASB) issued eight new Statements on Auditing Standards (SAS), collectively referred to as the risk assessment standards. These Standards bring sweeping changes and provide guidance for the conduct of audits of non-public companies. The risk assessment standards will expand the risk assessment process and will require auditors to look more closely at company policies and

procedures. Mr. Odahl reminded Committee members that the new Standards require auditors to report a deficiency if they prepare the financial statements and appropriate disclosures on behalf of an Organization, as has historically been the procedure. The Committee met with Mr. Odahl on October 10<sup>th</sup>, where action was taken to have the Wegner firm prepare the financial statements in accordance with the generally accepted accounting procedures (GAAP). Dr. Borremans noted that Ms. Meudt will receive training necessary to prepare the financial statements for the fiscal year ending June 30, 2008.

The Committee members felt that there were no significant findings in the audit documents or concerns regarding financial practices that necessitated a "confidential" discussion with the auditors. Therefore, the Committee declined the opportunity to meet with Mr. Odahl and Mr. Haumersen in Closed Session.

Mr. Odahl will finalize the audit documents and return to present the final Audit Report to the Finance Committee at the January 9, 2008 meeting. At that time the Committee will be asked for action to forward the final audit documents to the full Board for approval. Mr. Odahl will also be available at the full Board meeting in January to answer questions from Board members.

### **2. Update on Proposed Workforce Investment Act (WIA) Rescission**

Dr. Borremans said that in October Congress was considering a \$335 million rescission for the current year WIA funds. This caused SWWDB to reduce its budget for Program Year 2007-08 (PY-07) by eleven point six percent (11.6%) and lower the amount allocated to program operators. This reduction accounted for SWWDB's estimated portion of the \$335 million rescission amount.

Since then, Congress acted to reduce the amount of the rescission to \$245 million, but the President has not accepted the reduced amount. It appears likely that some amount of WIA rescission will remain in the federal budget. There is also discussion that to achieve the rescission amount, DOL would first reduce the funding for those states that have a large amount of WIA carryover. Wisconsin historically has been a state that uses most of its WIA allocation each year and has little carryover of funds. Dr. Borremans told Committee members that this issue is a long way from being resolved and that he will keep the Board updated on deliberations regarding the rescission.

Dr. Borremans distributed a copy of a letter entitled "Perspective" and written by Robert Knight, Managing Director of Arbor Workforce Institute. The November letter is a policy overview on funding that workforce boards may be able to anticipate from the White House as the new year approaches. He added that WIA Funding for Program Year 2008 appears as though it will remain at the same level as the current year.

### **3. Other Business**

Ms. Engelke suggested sending out meeting information electronically instead of by mail. She added that this will provide cost savings on postage, paper copies, and time. Ms. Meudt replied that sending items electronically had been considered previously but was rejected because it placed the burden of printing the agenda and enclosures on the board members. Also, the last time this was considered, which was more than five years ago, several board members did not have e-mail accounts. After discussion, Dr. Borremans suggested that the topic be added to the Agenda for the Board Meeting on January 9, 2008.

### **4. Schedule Next Meeting**

The next Finance Committee Meeting is scheduled for Wednesday, January 9, 2008 at the Hodan Center in Mineral Point.

5. **Adjournment**

Motion by Ms. Schaff, second by Mr. Schraeder to adjourn at 5:08 p.m. **Motion carried unanimously.**