

Workforce Development Board – Finance Committee

Monday, June 9, 2014 4:00 p.m.
Holiday Inn, Leelanau Room
615 E. Front St. Traverse City, MI 49686

-DRAFT- MINUTES-DRAFT-

Committee members present: Diane Allington, Ken Bollman, Steve Perdue,
Doug Parkes
Committee members absent and excused: Ken Osborne
Guests present: Bill Tucker, Abraham & Gaffney, P.C.
Staff present: Becky Maddox, Elaine Wood, Darla Rowland

Call to Order

The meeting was called to order by Chairperson S. Perdue at 4:02 p.m.

Minutes

The Finance Committee minutes of April 14, 2014 were reviewed.

Motion by D. Parkes, supported by D. Allington to approve the minutes as presented. Motion passed unanimously.

NWMCOG monthly financial report

Darla Rowland presented the Northwest Michigan Council of Governments financial report through April 2014. The COG is 7 months through the fiscal year and 53% expended. Additional WIA Dislocated Worker funds of \$50,771 were received. A percentage of Dislocated Worker funds are allowed to be transferred to WIA Adult. Ten percent of the new funds are in WIA Administration, 30% in WIA Adult and 60% in WIA Dislocated Worker.

Motion by D. Parkes, supported by D. Allington to recommend the NWMCOG monthly financial report for board acceptance. Motion passed unanimously.

Northwest Michigan Works! Inc. financial report

Becky Maddox presented the financial report for Northwest Michigan Works! through May 28, 2014. Northwest Michigan Works! is 75% expended with one month to go in the fiscal year, resulting in additional carry over into the next year. The anticipated carry over is \$400,000. There are no plans to lay off staff in the next year, in large part due to the additional carry over. Staff reviewed the year-long strategy for increasing carry-over so that the continued annual decreases in funding can be

leveled out to the greatest extent possible, diminishing the impact on staffing and customer service levels from one year to the next.

Motion by D. Parkes, supported by K. Bollman, to recommend the Northwest Michigan Works! monthly financial report for board acceptance. Motion passed unanimously.

Change of Northwest Michigan Works! Inc. fiscal year

Elaine Wood explained that changing Northwest Michigan Works! fiscal year from July – June to October – September will match the COG's fiscal year and make the accounting systems easier and more streamlined. Board members suggested running a 3 month “year” and then a 12 month year versus a 15 month “year”. Questions were answered.

Motion by K. Bollman, supported by D. Parkes, to recommend changing Northwest Michigan Works! fiscal year to October 1 for board acceptance. Motion passed unanimously.

Northwest Michigan Works! Inc. PY14 budget

Becky Maddox presented the PY (program year) 14 budget based on the current July – June year. This budget is very similar to the current budget (PY13). New revenue sources include Employment Services and subleases, previously recorded in the COG budget, and a shared staff position with the Wexford-Missaukee Intermediate School District. The expenses for the subleases are included in Building Rent & Maintenance & Utilities. YouthBuild ended May 31st and is not included in the new budget.

The PY14 budget is applicable to the new October 1 fiscal year. S. Perdue asked that any substantial changes be presented to the board in the fall.

Motion by D. Allington, supported by D. Parkes, to recommend Northwest Michigan Works! PY14 budget for board acceptance. Motion passed unanimously.

Northwest Michigan Works!, Inc. audit for year ending 6/30/13

Bill Tucker, Principal, with Abraham & Gaffney, P.C., presented the Northwest Michigan Works! Inc. audit for the year ending June 30, 2013. The opinion on page 2 states that the financial statements present fairly, in all material respects. This represents a clean opinion and is the best opinion that can be received. Bill pointed out on page 3 that the current ratio is 3.28 (total current assets divided by total liabilities). Anything over a 2 is typically considered to be good.

He noted unrestricted assets of \$1,171,161 on page 3, which is 22% of the annual operating expenses. He reviewed the statement of activities on page 4, noting that 58% of expenses was for personnel and 16.7% was for the various facility costs.

There was one finding of excess federal cash on hand, which is described on page 26. This is a common finding and is not anticipated to be an issue in the future.

Discussion took place between the committee members and the auditor.

Motion by D. Allington, supported by K. Bollman, to recommend WDB acceptance of the audit.
Motion passed unanimously.

Adjournment

The meeting was adjourned by consensus at 4:40 p.m.

Respectfully submitted:



Darla Rowland

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