



Audit Committee Meeting Minutes
April 29, 2020
1:30 pm.

Conference Call: Beth Cicchetti, Jeanna Olson,

Absent: Tom Eisel

Staff/Guests Present: Jim McShane, Matt Salera

Recording: Patricia McCray

I. Welcome and Call to Order:

Beth welcomed everyone and called the meeting to order at 1:37pm. She thanked everyone for taking time out to participate in the board conference call. She explained that the public is allowed to participate with comments held to three (3) minute limit and 12 minutes overall.

II. Action Item I: Meeting Minutes Approval – May 20, 2019

Beth asked if anyone had any questions or comments about the May 20, 2019, Audit Committee meeting minutes. There were none.

Motion: Beth entertained a motion to approve the May 20, 2019 minutes. Jeanna made the motion, and Beth Cicchetti seconded. All in favor.

Action Item I approved unanimously.

III. Action Item II: 2018-19 Audit Report

Matt introduced Richard Powell with Powell and Jones. Matt stated was Powell and Jones third audit they have completed over the five-year agreement. This audit was a little more of a challenge than usual because it was conducted during the time we had the hurricane. 98% of the audit was done off-site. Powell and Jones did visit the CareerSource center and held the onsite required interviews. It all worked out well. Matt asked Richard to begin the audit report.

Richard stated, it is a pleasure delivering the annual audit of the CareerSource Capital Region, as Matt said, we had challenges; however, it worked out well with the cooperation of performing the audit. We prepared the report, it's been reviewed by Jim and Matt, and so this is the formal presentation. As always an interest of time, I would discuss what I consider to be the important parts and would be pleased to answer any questions and address any concerns to the committee.

On page 799 is the audit opinion. It states that it's a complete audit of the organization, conducted in accordance with applicable auditing standards. That includes the financial auditing standards, and

government auditing standards, and federal single audit standards. So there are three levels of required audit procedures and all that, what you see is a clean, unmodified opinion that states the financial statements are an accurate reflection of how a Capital Region stood at the end of the fiscal year and what transpired financially during the year. We have that highest level of assurance, which is a good reflection on the quality of the financial records and practices of the organization.

In the next section, beginning on page 10, there's some call management's discussion, and analysis is some required overview information on the organization. But due to the fact that it is derived from the financial statements, I will go directly to pertinent financial statements, and we've probably already but ask that you read that on your own. First, one being on page 16, the Capital Region follows the governmental model in financial reporting, which is fund accounting. And so it has one fund, the general fund. So this is the balance sheet of the general fund. The first category is the assets, what you own, the total being \$751,636. And see it's about a little over half of that is cash on hand. The balance is mainly of the grant funds receivable; often, you have to spend the money to receive the grant funding. The liabilities were \$484,040.

You can see the relationship between the grants receivable and the accounts payable. We have to kind of balance your grants receivable with your vendor payables because, by default or the way a workforce board operates, your equity is not substantial hard to build up reserves just because you can't make money off of grant funding. Fund balances are cash reserves. You have three components. You have a small amount that's none expendable representing your prepaid expenses. But your board has assigned an amount equal to the compensated absences liability \$56,755, and the unassigned amount was basically the unrestricted amount that can be used for any approved expenditures even if they are not a grant.

On page 17 is a statement of revenues, expenditures, and changes in fund balance. Your total revenue is \$6,168,222 total expenditure \$6,156,891. This year, you basically operated income. You had an excess revenue over expenditures of \$11,331, which increased the fund balance to \$267,596. After that are basically your notes and disclosures. And the majority of yours are just required disclosures.

On page 24 is a table, to be of your capital assets and shows your capital assets at costs \$279,139. Accumulated depreciation \$219,742 net assets \$397. This tells us the capital assets are older, and they are approximately 78% depreciated, so they're older. Below that is a lease commitment, that the commitment should be made on leases, generally for occupancy.

On page 28 is a statement or schedule that shows, budgetary performance for the year. And it shows that you did not earn all the revenues in the budget, but you likewise could not spend all of the authorized expenditures. So you operate well within the budget. You were depositing almost \$32,000 per year.

So, I would say financially you had a successful year; the year ended about precisely the same at the end of the years and at the beginning.

On page 30 and 31, is a schedule of the grants, the federal grants that you received during the year, and the State and Grant Organizations utilize this schedule. Now on pages 33 and 34 is our report regarding audit procedures required by government auditing standards. These procedures go beyond the financial numbers and include internal control over financial reporting, financial periods, laws, regulations, policies, and Board there are no findings or questions asked in this report.

On Pages 35, 36, you see an equivalent report on the federal single audit requirements due to the level of your federal grant funding; we are required to do compliance procedures on major programs. These procedures generally are additional compliance requirements in this report, and there are no findings or questions asked.

On pages 37 and 38, there's a recap schedule on all of those responses for positive responses. So I would say for the year that again, I'll say that you operated about exactly even, you operated within your budgetary constraints, and you had no findings regarding government auditing standards or federal single auditing standards.

Richard opened the floor for questions, and no questions were asked.

IV. Action Item III: 2018 IRS Form 990

Also, included in your packet is the form 990, it is part of, other than accounting services. We prepared form 990, which is the information return required by the IRS. It's more pages than the audit; however, it is all of the financial information which is reflected in the audit. Again Matt has reviewed the report.

Richard asked if there were any questions on either of the documents, and he would be pleased to answer them.

Jim stated I don't have any questions. However, I want to thank Matt for doing a great job again for another year, and this is year 19.

Motion: Beth entertained a motion to approve the 2018-19 Audit Report and 2018 IRS Form 990. Jeanna made the motion, and Beth Cicchetti seconded. All in favor.

Action Items 3 and 4 approved unanimously.

Beth and Gina thanked Matt for continually keeping the Board informed with constant communication

over the years. They also thanked Richard Powell for being with us today and providing a clear and concise audit report.

IV. Adjourn:

Beth adjourned the meeting at 2:14 pm.

Next Meeting:

TBD