

**Finance Committee**  
**Monday, June 8, 2015**  
**3:30 p.m.**  
**Hagerty Center, 715 E. Front St., Traverse City, Michigan 49686**

**MINUTES**

Committee members present: Ken Bollman, Amanda Haworth, Steve Perdue, Susan Rogers, Nicole Sulak, Bill Tencza, Tom Vine, Ty Wessell, Chris Warren

Committee members absent: Jim Barnard, Steve Rawlings, Jim Smith, Jim Tamlyn

Guest present: Bill Tucker of Abraham & Gaffney, P.C.

Staff present: Becky Maddox, Darla Rowland, Elaine Wood

Call to order & introductions

The meeting was called to order by S. Perdue at 3:30 p.m. Introductions were made.

Minutes

The Finance Committee minutes of April 13, 2015 were reviewed.

Motion by K. Bollman, supported by C. Warren to approve the minutes as presented. Motion passed.

Networks Northwest budget report ending 4/30/15

Darla Rowland presented the budget report for October 1, 2014 through April 30, 2015. Expenditures are at 52.2% at the end of month 7 and overall revenue increased slightly since the report presented in February. There are 2 months left for the Workforce Investment Act (WIA) funds. The Workforce Innovation and Opportunity Act (WIOA) begins July 1, 2015.

Motion by S. Rogers, supported by T. Wessell to recommend the Networks Northwest budget report for board acceptance. Motion passed.

## Northwest Michigan Works! Inc. budget report ending 4/30/15

Becky Maddox presented the October 1, 2014 through April 30, 2015 budget report for Northwest Michigan Works! Expenditures are at 55%. New funds appearing on the report include the Reemployment and Eligibility Assessment (REA) program and support services money for the PATH program (TANF Employment Related Support/DHS).

Motion by K. Bollman, supported by S. Rogers to recommend the Northwest Michigan Works! Inc. budget report for board acceptance. Motion passed.

## Networks Northwest audit for the year ending 9/30/14

Bill Tucker of Abraham & Gaffney, P.C. presented the committee with the Audit Presentation, a synopsis of the FY14 audit of Networks Northwest. The Audit Presentation contains the board communication letter; governmental funds balance sheet; statement of revenues, expenditures, and changes in fund balances; and the schedule of findings and questioned costs. The opinion on page ii 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 reviewed the balance sheet and statement of revenues, expenditures, and changes in fund balances, on pages 3 and 5, respectively. He provided comparisons to the previous audit. The committee asked that the previous years' numbers be included on the summary documents for future audits.

The schedule of findings and questioned costs on page 58 shows that there are no findings nor material weaknesses or significant deficiencies. Auditees must have two consecutive years with no findings to be considered low-risk. Networks Northwest will be a high-risk auditee through 2015, meaning that the auditors must look at 50% of expenditures. If there are no findings for the 2015 audit, Networks Northwest will be a low-risk auditee in 2016 and only 25% of expenditures will need to be reviewed.

Motion by C. Warren, supported by K. Bollman to recommend the Networks Northwest audit for board acceptance. Motion passed.

## Northwest Michigan Works! Inc. audit for the year ending 9/30/14

Bill Tucker presented the committee with the Audit Presentation, a synopsis of the FY14 audit of Northwest Michigan Works! Inc. The FY14 audit covers 15 months to account for the change in fiscal year. The Audit Presentation contains the board communication letter; statement of financial position; statement of activities; statement of functional expenses; and the schedule of findings and questioned costs. 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 reviewed the statements financial position, activities, and functional expenses. He provided comparisons to the previous audit. He pointed out on page 3 that the current ratio is 3.23 (total current assets divided by total liabilities). A current ration above 2 is good.

The schedule of findings and questioned costs on page 26 notes one finding regarding the accounting of accounts payable. This error was made during the second closing of the books while changing fiscal years and is not anticipated to be an issue in the future.

The committee discussed the possibility of combining the Networks Northwest and Northwest Michigan Works! Inc. audits into one. Staff and the auditors will explore that option for the FY15 audit.

Motion by S. Rogers, supported by N. Sulak to recommend the Northwest Michigan Works! Inc. audit for board acceptance. Motion passed.

## Adjourn

The meeting was adjourned at 4:20pm.

Respectfully submitted:



Darla Rowland