



**NORTHWEST REGIONAL  
WORKFORCE INVESTMENT BOARD**  
FIRST JOB | NEXT JOB | BEST JOB

**FINANCE COMMITTEE MEETING AGENDA**

**Thursday, March 2<sup>nd</sup>, 2023, at 9:00 AM  
VIA ZOOM**

**Please join my meeting from your computer, tablet, or smartphone.**

<https://us06web.zoom.us/j/85373987122?pwd=UGlwQ1d3cE1zVmdhYXRmNEk4S1ZhZz09>

Meeting ID: 853 7398 7122

Passcode: 332406

Meeting ID: 833 7971 8179

Passcode: 574722

To call in please use:

+1 929 205 6099 US (New York)

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- 1. Approval of Finance Committee Meeting Minutes from December 1st, 2022**
- 2. Review of January financial statements**
- 3. Indirect cost rate update**
- 4. Other Business**
- 5. Adjournment**



**NORTHWEST REGIONAL  
WORKFORCE INVESTMENT BOARD**  
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**FINANCE COMMITTEE MEETING MINUTES**  
**Thursday, December 1<sup>st</sup>, 2022 at 9:00 AM**  
**VIA ZOOM**

<https://us06web.zoom.us/j/83379718179?pwd=UnRGVUtBTUFwWEIXbFhFY2wwcHVuQT09>

Meeting ID: 833 7971 8179

Passcode: 574722

*Participating: chair: William Pizzuto, William Starbuck, Kathleen Lucey. From Audit firm: Michael Sabol, Tracey McKaveney.*

*Others in attendance: Cathleen Awwad, Michael Hayden, Susan Mertz, Nina Lombardi*

**1. Presentation of the draft audit by MahoneySabol FY22**

The auditors performed both a federal and state single audit and those are performed in accordance with the uniform guidance, the state of Connecticut OPM compliance supplement, as well as each applicable grant and contract agreement on hand.

Ms. McKaveney started by going over the scope of the work that the audit firm did. The first scope of work they looked at was a financial statement audit in accordance with auditing standards issued by the AICPA as well as government auditing standards issued by the Government Accountability Office. they also did both a federal and state single audit and those were performed in accordance with the uniform guidance, the state of Connecticut OPM compliance supplement, as well as each applicable grant and contract agreement that NRWIB has.

As far as auditors' reports, the first is the report on the financial statements showing a clean opinion, which provides reasonable assurance that the financial statements are free from material misstatement. It does not provide an opinion on the effectiveness of internal controls over financial reporting. There's a report on compliance and internal control over financial reporting, Ms McKaveney gladly reported that there was no material non-compliance with laws or regulations noted and no significant deficiencies or material weaknesses in financial reporting noted. She also added that the is doing a great job tracking all the grants.



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The other report is the federal single audit. There's a report on compliance and internal control at the Federal Board level. The major program this year was the WIOA cluster which was about \$3.2 million. Again, a clean opinion, with no significant deficiencies or material weaknesses. On the state side, it's also a report on compliance and internal control over state financial assistance. There were three major programs that the audit firm tested this year. The jobs first employment program for almost 1.3 million The CT Youth Employment Program for little over a million and then the Jobs Funnel program for \$329,000, which had clean results, with no significant deficiencies or material weaknesses noted.

Also, they reported no significant deficiencies or material weaknesses in compliance. The needed communications that the firm is required to have with this committee's responsibilities under US generally accepted auditing standards, require that management is responsible, both for the preparation and fair presentation. The auditors are responsible for expressing an opinion on those financial statements. As far as the plan, scope, and timing, they were able to be on-site for a few days on the premises this year. So, there were no changes to the plan, scope, or timing of fieldwork.

Concerning the qualitative aspects of accounting practices, the accounting policies selected and used are deemed to be appropriate. All the NRWIB disclosures were neutral, consistent, and clear. They did not identify any transactions for which there's a lack of authoritative guidance. NRWIB did not implement any new accounting standards this year. All assumptions observed to be used in making estimates were reasonable, as well as sensitive disclosures, risks, and uncertainties related to COVID, were deemed to have had no significant difficulties performing the audit.

As far as journal entries, there were no audit entries it was just some reclassification entries that the finance management clarified, and then there's a past adjustment for a correction to accrued vacation.

The firm will obtain a management representation letter from NRWIB. No representation seemed unusual.

This year it is more important to mention that come June 30, 2023, any leases greater than 12 months need to be accounted for as a capital lease, meaning the asset and liability have to go on the balance sheet. Not a huge impact, because there's only a handful of leases but it will need to be evaluated. And then because of that, there are new and enhanced disclosures over leases.



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Mr. Sabol explained further that the lease new regulation concept here is that if we rented a copy machine, or rented the office space, it was recorded as an expense monthly. Now it is changing to be considered a liability that has to go on the books so people can see it. So that's really the concept behind what's going on.

Summary of financial highlights in the financial statement. The first is the statement of financial position, year over year, it stayed extremely consistent. There are no large fluctuations in any of the numbers year over year. Statement of activities revenue was down because of revenue being down expenses were down. So, the agency's assets change in the current year was \$45,000 Compared to \$113,000 in the prior year. As far as revenue decrease, really the bulk of that revenue decrease was CARES funding which got decreased by one million. Everything else was just all different grants, some are up some are down. For the expenses part, the bulk of that is payments to providers which is a direct result of the revenue being down, so payments to providers decreased to approximately 1.6 million. Then there is salaries and benefits increase of about \$148,400, Just shy of a 1.5 million decrease in expenses.

Auditors pointed out that they did put the liquidity footnote in this presentation because it's important and showed up a few years ago when there was a change to the accounting standards. It really isn't a big deal for this group. But a lot of organizations have a significant amount of restricted assets so when one looks at their total net asset balance, it might be a large balance, but there's a large, restricted portion. However, this is not the case for this board. So basically, all of the liquid assets are available for use by management within a year.

The auditors did put in the early withdrawal fee on the CD because that would have to be paid by the agency if the CD is used. An increase is noticed to be up to 1.7 million from 1.6 million in the prior year. So, no issues here for liquidity

## **2. Approval of Finance Committee Meeting Minutes from September 1st, 2022**

A motion to approve was made by Kathleen Lucey and seconded by William Starbuck.  
Motion approved.



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### **3. Review of October financial statements**

CFO Susan Mertz thanked the auditors and said that the finance team has really worked hard because they had the state monitoring at the same time. But really it was a great team effort. She pointed out the attached statements for October. The important thing to note is our grant reports are submitted on time, and our accounts are reconciled. We have added more general ledger and grant classifications to our accounting software. This will allow us to utilize the accounting software more effectively and make it easier for reporting and be more transparent. As per the federal compliance review. In the Profit and Loss budget versus the actual, the budget represents the current year's budget and shows 18 million, while in the profit and loss budget versus actual from the Quick Books Software, it shows only 7 million, because the latter reflects the budget dollars available in the current year, this all-funds budget shows all our funding available.

We are right on track with our spending Ms. Mertz said and the 18 million budget is quite impressive in total.

Ms. Awwad added that there are some additional funds that will be forthcoming, and we anticipate another \$400,000 for some additional Youth Money. Also, there are some sub-contracts that we will be receiving from other workforce boards for the CareerConneCT Program, so we believe that by the end of January, our all-funds budget will exceed 20 million dollars which we are very proud of.

A motion to receive and place on file was made by Bill Starbuck and seconded by Kathleen Lucey. Motion approved.

### **4. Update on Federal Consolidated Compliance Review**

Pertaining to the Federal consolidated compliance Ms. Awwad explained in the efforts of transparency that back in April, we had a one-week-long federal compliance monitoring review with DOL. There were two areas that they listed as findings which were more miscommunications. She explained that we have submitted twice now documentation that is believed to address those concerns. We anticipate having a technical assistance call with DOL, sometime in the next two weeks to review our final submission and then both of those findings should be considered resolved, then we can close the chapter of the consolidated review.



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**5. Meetings schedule for 2023**

Committee members were notified of dates chosen for the Finance Committee Meetings for the year of 2023 which are March 1<sup>st</sup>, June 1<sup>st</sup>, September 7<sup>th</sup>, and December 7<sup>th</sup>, 2023.

**6. Other Business**

None Mentioned

**7. Adjournment**

The meeting finished by 9:25 am

**AJC (R) "A proud partner of America's Job Center Network."**

Department of Labor • Career Resources, INC • Bureau of Rehabilitative Services  
Department of Social Services • Board of Education and Services for the Blind • CT Job Corp Center  
Naugatuck Valley Community College • Northwestern CT Community College  
Bureau of Health/Nutrition Family Services and Adult Education

## Northwest Regional Workforce Investment Board, Inc.

## Balance Sheet

As of January 31, 2023

02/22/23

Accrual Basis

	<u>Jan 31, 23</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
10100 · All Funds Checking	31,074.39
10200 · Good Jobs Checking	73,116.18
10400 · Unrestricted Checking	301,529.77
10500 · Benefits Checking	38.93
10600 · Bank of America Checking	87.76
10710 · Other Funds Checking	1,391,838.36
10800 · 18 month CD - Danbury Savings	105,820.26
10900 · Payroll Checking NEW	81,080.97
<b>Total Checking/Savings</b>	<u>1,984,586.62</u>
<b>Accounts Receivable</b>	
11000 · Accounts Receivable	500.00
11009 · Accounts Rec-Infrastructure	3,497.63
<b>Total Accounts Receivable</b>	<u>3,997.63</u>
<b>Other Current Assets</b>	
13000 · Prepaid Expenses	25,905.82
<b>Total Other Current Assets</b>	<u>25,905.82</u>
<b>Total Current Assets</b>	<u>2,014,490.07</u>
<b>Fixed Assets</b>	
16100 · Equipment	11,578.00
17100 · Accum Deprec-Equipment	-11,578.00
<b>Total Fixed Assets</b>	<u>0.00</u>
<b>TOTAL ASSETS</b>	<u><u>2,014,490.07</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
20000 · Accounts Payable	319,696.79
<b>Total Accounts Payable</b>	<u>319,696.79</u>
<b>Credit Cards</b>	
21500 · Credit Card/VISA - *2122/0969	500.00
21600 · Mastercard - 2323	-237.98
21700 · Staples Credit Plan	608.01
<b>Total Credit Cards</b>	<u>870.03</u>

11:59 AM

02/22/23

Accrual Basis

Northwest Regional Workforce Investment Board, Inc.

Balance Sheet

As of January 31, 2023

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	<u>Jan 31, 23</u>
<b>Other Current Liabilities</b>	
20002 · YE Accrued Expenses	9,089.38
24500 · Accrued Vacation	111,783.65
25000 · Due to Funding Source	78.59
33300 · Suspense	<u>73,943.32</u>
<b>Total Other Current Liabilities</b>	<u>194,894.94</u>
<b>Total Current Liabilities</b>	<u>515,461.76</u>
<b>Total Liabilities</b>	515,461.76
<b>Equity</b>	
39005 · Retained Earnings	536,979.25
Net Income	<u>962,049.06</u>
<b>Total Equity</b>	<u>1,499,028.31</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>2,014,490.07</u></u>



## Northwest Regional Workforce Investment Board, Inc.

## Profit &amp; Loss Budget vs. Actual

July 2022 through January 2023

02/23/23

Accrual Basis

	Jul '22 - Jan 23	Budget	\$ Over Budget	% of Budget
<b>Income</b>				
41000 · WIOA	1,733,155.96	4,074,559.00	-2,341,403.04	42.5%
42000 · JFES	756,842.70	1,462,111.00	-705,268.30	51.8%
44000 · WIOA Demo Grants	0.00	0.00	0.00	0.0%
45000 · Grant Funds-Other	987,746.98	5,823,222.88	-4,835,475.90	17.0%
45001 · Grant Funds-Other Additional	1,434,000.00			
45510 · Interest Earned	473.77			
47000 · Youth Employment Programs	942,006.54	1,183,886.00	-241,879.46	79.6%
48000 · Good Jobs Ordinance	25,807.65	60,000.00	-34,192.35	43.0%
49000 · US DOL Grants	8.63	650,000.00	-649,991.37	0.0%
<b>Total Income</b>	<b>5,880,042.23</b>	<b>13,253,778.88</b>	<b>-7,373,736.65</b>	<b>44.4%</b>
<b>Gross Profit</b>	<b>5,880,042.23</b>	<b>13,253,778.88</b>	<b>-7,373,736.65</b>	<b>44.4%</b>
<b>Expense</b>				
51000 · Salaries	961,444.78	1,469,769.14	-508,324.36	65.4%
55000 · Fringe Benefits	247,873.01	551,430.40	-303,557.39	45.0%
61000 · Background check/Drug testing	545.90			
62000 · Rent/Util/Sec/Clean	78,384.60	172,889.51	-94,504.91	45.3%
63900 · Infrastructure Cost Recovery	-6,813.82			
64000 · Telephone	12,413.38	9,324.20	3,089.18	133.1%
65000 · Advertising/Printing	1,668.67	2,417.66	-748.99	69.0%
66000 · Dues & Subscriptions	13,957.50	7,917.61	6,039.89	176.3%
68000 · Office Supplies/Equipment	23,225.02	48,501.09	-25,276.07	47.9%
68001 · Cost of Meeting	8,191.53	0.00	8,191.53	100.0%
68500 · IT	40,897.76	59,253.95	-18,356.19	69.0%
69000 · Bank Fees	142.00			
70000 · Postage	960.39	1,454.08	-493.69	66.0%
72000 · Travel & Mileage	7,217.75	42,238.00	-35,020.25	17.1%
74000 · Staff Training	254.17	2,819.40	-2,565.23	9.0%
76000 · Insurance	12,881.47	47,722.87	-34,841.40	27.0%
76200 · Outreach/Recruitment	38,027.40	42,038.85	-4,011.45	90.5%
77000 · Consultants	4,276.25	17,390.00	-13,113.75	24.6%
78000 · Professional Services	0.00	16,147.00	-16,147.00	0.0%
78100 · Prof Services Audit	22,360.00			
78200 · Prof Services Legal	6,400.00	1,300.00	5,100.00	492.3%
78300 · Payroll Service	2,778.44	5,534.61	-2,756.17	50.2%
78500 · Purchased Services	0.00	7,137.00	-7,137.00	0.0%

## Northwest Regional Workforce Investment Board, Inc.

## Profit &amp; Loss Budget vs. Actual

02/23/23

July 2022 through January 2023

Accrual Basis

	Jul '22 - Jan 23	Budget	\$ Over Budget	% of Budget
78600 · Purchased Services PSA	15,472.50	15,280.00	192.50	101.3%
79000 · Program Admin	0.00	27,270.90	-27,270.90	0.0%
79999 · Indirect Cost Rate	0.00	553,992.21	-553,992.21	0.0%
80000 · ITA/ITV	307,996.72	1,554,408.00	-1,246,411.28	19.8%
80001 · Provider Expense-Other	7,628.00	36,900.00	-29,272.00	20.7%
80002 · Career Services	1,164,384.43	2,635,543.80	-1,471,159.37	44.2%
80003 · Participant Tutoring	16,140.61	118,000.00	-101,859.39	13.7%
80004 · OneStop Operator	63,656.03	124,342.00	-60,685.97	51.2%
80005 · OJT	19,833.08	500,920.00	-481,086.92	4.0%
80006 · Provider Expense-Contracts	1,226,885.32	3,719,440.62	-2,492,555.30	33.0%
80007 · Supportive Services	66,910.20	499,015.41	-432,105.21	13.4%
80009 · Subsidized Payroll	133,420.32	181,826.30	-48,405.98	73.4%
80010 · Subsequent Year Funding	0.00	0.00	0.00	0.0%
80011 · Provider Exp- Cohort Training	108,099.00	242,064.00	-133,965.00	44.7%
81000 · Stipend	100,589.50	419,517.00	-318,927.50	24.0%
82000 · Provider Expense-IWT	31,316.40	-95,000.00	126,316.40	-33.0%
83000 · Operational Expenses-(CRI)	155,551.99	198,673.27	-43,121.28	78.3%
85000 · Participant Software	22,315.00	16,300.00	6,015.00	136.9%
90020 · Late Fees	707.87			
<b>Total Expense</b>	<b>4,917,993.17</b>	<b>13,253,778.88</b>	<b>-8,335,785.71</b>	<b>37.1%</b>
<b>Net Income</b>	<b>962,049.06</b>	<b>0.00</b>	<b>962,049.06</b>	<b>100.0%</b>

Northwest Regional Workforce Investment Board, Inc.  
Profit & Loss Budget vs. Actual  
July through January 2023

	Actual Expenditures 7/1/22-	Budget per All Funds	\$ Variance to All Funds	
	1/31/23		Budget	% of Budget
<b>Income</b>				
41000 · WIOA	1,733,155.96	4,672,717.00	(2,939,561.04)	37.1%
42000 · JFES	756,842.70	1,462,111.00	(705,268.30)	51.8%
44000 · WIOA Demo Grants	-	173,632.00	(173,632.00)	0.0%
45000 · Grant Funds-Other	987,746.98	4,998,725.79	(4,010,978.81)	19.8%
45001-Grant Funds Other-Additional	1,434,000.00	7,423,339.00	(5,989,339.00)	19.3%
45510 · Interest Earned	473.77	-	473.77	
47000 · Youth Employment Programs	942,006.54	2,465,575.90	(1,523,569.36)	38.2%
48000 · Good Jobs Ordinance	25,807.65	107,354.88	(81,547.23)	24.0%
49000 · US DOL Grants	8.63	650,000.00	(649,991.37)	0.0%
<b>Total Income</b>	<b>5,880,042.23</b>	<b>21,953,455.57</b>	<b>(16,073,413.34)</b>	<b>26.8%</b>
<b>Gross Profit</b>	<b>5,880,042.23</b>	<b>21,953,455.57</b>	<b>(16,073,413.34)</b>	<b>26.8%</b>
<b>Expense</b>				
51000 · Salaries	961,444.78	1,729,485.23	(768,040.45)	55.6%
55000 · Fringe Benefits	247,873.01	669,428.01	(421,555.00)	37.0%
61000 · Background check/Drug testing	545.90	-	545.90	
62000 · Rent/Util/Sec/Clean	78,384.60	195,402.77	(117,018.17)	40.1%
63900 · Infrastructure Cost Recovery	(6,813.82)	-	(6,813.82)	
64000 · Telephone	12,413.38	11,736.61	676.77	105.8%
65000 · Advertising/Printing	1,668.67	8,500.30	(6,831.63)	19.6%
66000 · Dues & Subscriptions	13,957.50	2,250.00	11,707.50	620.3%
68000 · Office Supplies/Equipment	23,225.02	75,969.19	(52,744.17)	30.6%
68001 · Cost of Meeting	8,191.53	4,000.00	4,191.53	204.8%
68500 · IT	40,897.76	59,442.00	(18,544.24)	68.8%
69000 · Bank Fees	142.00	-	142.00	
70000 · Postage	960.39	2,254.64	(1,294.25)	42.6%
72000 · Travel & Mileage	7,217.75	35,397.53	(28,179.78)	20.4%
74000 · Staff Training	254.17	5,000.00	(4,745.83)	5.1%
76000 · Insurance	12,881.47	35,933.72	(23,052.25)	35.8%
76200 · Outreach/Recruitment	38,027.40	67,904.85	(29,877.45)	56.0%
77000 · Consultants	4,276.25	39,661.13	(35,384.88)	10.8%
78000 · Professional Services	-	-	-	
78100 · Prof Services Audit	22,360.00	25,000.00	(2,640.00)	89.4%
78200 · Prof Services Legal	6,400.00	-	6,400.00	
78300 · Payroll Service	2,778.44	7,500.00	(4,721.56)	37.0%
78500 · Purchased Services	-	-	-	
78600 · Purchased Services PSA	15,472.50	10,280.00	5,192.50	150.5%
79000 · Program Admin	-	-	-	
79999 · Indirect Cost Rate	-	503,007.21	(503,007.21)	0.0%
80000 · ITA/ITV	307,996.72	1,349,659.03	(1,041,662.31)	22.8%
80001 · Provider Expense-Other	7,628.00	9,759.46	(2,131.46)	
80002 · Career Services	1,164,384.43	2,625,992.95	(1,461,608.52)	44.3%
80003 · Participant Tutoring	16,140.61	62,750.00	(46,609.39)	25.7%
80004 · OneStop Operator	63,656.03	125,000.00	(61,343.97)	50.9%
80005 · OJT	19,833.08	545,179.03	(525,345.95)	3.6%
80006 · Provider Expense-Contracts	1,226,885.32	3,537,052.28	(2,310,166.96)	34.7%
80007 · Supportive Services	66,910.20	494,050.87	(427,140.67)	13.5%
80009 · Subsidized Payroll	133,420.32	374,982.45	(241,562.13)	35.6%
80010 · Subsequent Year Funding	-	8,408,537.44	(8,408,537.44)	
80011 · Provider Exp- Cohort Training	108,099.00	201,000.00	(92,901.00)	53.8%
81000 · Stipend	100,589.50	195,700.00	(95,110.50)	51.4%
82000 · Provider Expense-IWT	31,316.40	140,204.99	(108,888.59)	22.3%
83000 · Operational Expenses-(CRI)	155,551.99	322,393.89	(166,841.90)	48.2%
85000 · Participant Software	22,315.00	73,039.99	(50,724.99)	30.6%
90020 · Late Fees	707.87	-	707.87	
<b>Total Expense</b>	<b>4,917,993.17</b>	<b>21,953,455.57</b>	<b>(17,035,462.40)</b>	<b>22.4%</b>
<b>Net Income</b>	<b>962,049.06</b>	<b>-</b>	<b>962,049.06</b>	<b>100%</b>