



## Benton Franklin Workforce Development Council (BFWDC)

### Executive Committee Minutes

October 26, 2021

3:00 p.m.

Zoom

#### **Present**

Commissioner McKay  
Todd Samuel  
Adolfo de Leon  
Dennis Williamson  
Amanda Jones

#### **Absent**

Commissioner Didier

#### **Guests**

Emily McCann, CLA  
Monique Didier, CLA  
Deborah Hutchinson, CLA  
Crystal Bright, WSCB

#### **BFWDC Staff**

Tiffany Scott  
Jan Warren  
David Chavey-Reynaud  
Diana Hamilton  
Cynthia Garcia  
DeAnn Bock

#### **Board Member**

Jennie Weber

#### **Excused**

Jessie Cardwell  
Jamillet Nerell

#### **Call to Order**

Todd Samuel called the meeting to order at 4:01 p.m. Todd thanked all for attending the Executive Committee Meeting of the BFWDC and expressed his appreciation for everyone taking time out of their busy schedules.

#### **Roll Call**

Tiffany Scott presented a land tribute acknowledging the traditional, ancestral territories of the Cayuse, Walla Walla, Umatilla, and Palouse 1<sup>st</sup> Nations.

Tiffany reported excused absences and conducted a roll call of the Benton-Franklin County Commissioners, BFWDC Executive Members, Board Members, and BFWDC Staff.

Tiffany welcomed guests and asked that they communicate their name and organization using the Zoom chat feature.

#### **Minutes**

Todd Samuel provided the minutes from the September 28, 2021, Executive Committee Meeting for members to review.

*Dennis Williamson moved to approve September 28, 2021, Executive Committee Meeting Minutes as presented, seconded by Commissioner McKay. Motion carried.*

#### **Audit Presentation by Clifton Larson Allen (CLA)**

Emily McCann from CLA shared the results of the BFWDC Annual Audit and the 990. She used a PowerPoint slide deck to guide the presentation.

Emily thanked everyone for having CLA at the meeting. She introduced herself as the signing director on the audit engagement. Emily is the one who has the overall responsibility for the audit. She is based out of the Tri-Cities, and she specializes in serving nonprofit organizations. Emily introduced Monique

Didier, the one in charge and the director of the audit specializing in nonprofits. Emily introduced Deborah Hutchinson, who helped with the audit this year.

Emily shared the audit and other services that CLA provides the BFWDC, and they issued a few different deliverables. The top three are included in the financial statements. The first one is the CLA opinion on the financial statements. There's also a report and view on the organization's internal controls over financial reporting and compliance; lastly, internal control over compliance with the primary program requirements. CLA is also required to issue a governance communication letter to help prepare the federal tax return.

This year, CLA tested two significant programs at the BFWDC and the Workforce Innovation and Opportunity Act (WIOA) Disaster and Employment Recovery. During the single audit of the major program testing procedures, she looked at compliance and internal controls. CLA did not have any compliance findings, nor did they have any financial statement findings to report, which is incredible. Included with a single audit, CLA also did a financial statement audit. Emily mentioned that CLA's responsibility is to express an opinion on the fair presentation of the BFWDC financial statements. And to do that, CLA used a risk-based audit approach where they came into the organization to understand the BFWDC, looking at the internal control structure. CLA looked at the BFWDC significant accounts and analyzed where the risk and the financials lie. CLA tried to focus the testing on those areas. CLA did communicate the scope and timing in August. There were no significant changes to that scope. The results of the audit of the financial statement audit were an unmodified audit opinion, which is the highest audit opinion you can receive.

Emily discussed that CLA required communication to governance, which is a separate letter that they issue. At the beginning of that letter, it talks about the organization's significant accounting policies. For the BFWDC, that's going to be listed in footnote one of the financial statements. There were no new accounting standards adopted or new accounting policies that were changed during the year. Included in the BFWDC financial statements are some significant accounting estimates. That included the functional allocation of expenses. During the CLA testing, they did not identify any management bias. The forecast was deemed reasonable in the CLA testing.

CLA did have one uncorrected misstatement, but it was less than materiality. There were also no corrected misstatements identified during the BFWDC audit procedures. Emily shared that all disclosures were neutral, consistent, and transparent.

Emily shared that the Scheduled Expenditures of Federal Awards (SEFA) is considered supplementary information. CLA issue's opinion on that as well. CLA does sign a management representation letter asserting certain items noted during the BFWDC audit. Emily communicated that CLA did not encounter any difficulties in performing the audit. There were no disagreements with management, no consultations with other independent auditors, and no other findings discussed with management that CLA needs to bring to the attention of the BFWDC Board. For the uncorrected misstatements, Emily said that was just a small misstatement regarding WorkSource Columbia Basin (WSCB) revenue, based on when it should be recorded.

Emily responded to a question asked by Todd and stated that auditing procedures can be a little bit odd; you can have corrected misstatements or uncorrected misstatements. Anything over CLA's clearly trivial threshold is accumulated on the uncorrected misstatements schedule, then if it becomes material, they will consider making an adjustment. BFWDC's item was over the trivial threshold, but it wasn't material enough to suggest an adjustment. Based on Emily's understanding, the reconciliation of the revenue adjustment usually occurs in October or November, in the late fall timeframe. She recommended moving that up into the BFWDC year-end reconciliation process. Jan Warren shared

that the reconciliation being discussed is what the BFWDC does to true up the WSCB income to the actual expenditures. The BFWDC has issued this form over the last two years. It has been credited back to the partners. In the past, it was done once the audit had been completed and posted in the current year, even though it was based on the prior year. Jan stated that the BFWDC would undoubtedly go ahead and shift to posting in the current year moving forward.

Monique Didier shared various graphs of the BFWDC financial statements. She started with the assets in 2021. The BFWDC ended at \$664,000. The grants and contracts receivable \$436,000. At year-end, the BFWDC increased in cash with \$32,000 in the prior year, and it jumped to \$172,000 in the current year.

The BFWDC liabilities and net assets again in 2021 ended the year at \$664,000. The majority of the BFWDC payables are sub-recipient payables at \$390,000. At year-end, Monique noted the increased accrued payroll; it went from \$76,000 to \$126,000. She said this was due to the increase in accumulated vacation with the number of hours allowed to be carried over year over year.

Monique articulated that the BFWDC 2021-year revenue was \$4.56 million, a healthy increase from 2020. Most of the BFWDC revenue comes from grants and contracts at 4.2 million. She mentioned that the expenses in 2021 were 4.56 million. CLA expects the percentages year over year to remain consistent, which the BFWDC did. 86% of the BFWDC expenditures in 2021 were spent on program service delivery.

Emily discussed the CLA opportunity wheel; CLA does do audit and tax, but CLA also helps nonprofit clients with things such as Information Technology (IT) risk assessment, workforce and recruiting, and policies and procedures. Emily also noted CLAconnect.com for articles and webinars specific to nonprofit clients. CLA has COVID response resources out there available for clients as well.

Monique concluded the CLA presentation. She updated the BFWDC on form 990 and some significant schedules within that form. A few things were noted; the 990 is still currently in draft form until board approval. Then CLA will file with the Internal Revenue Service (IRS). The BFWDC 990 is available for public inspection on the IRS website as well as guidestar.com. Page two of the 990 articulates the BFWDC program service accomplishments. It outlines the impact the BFWDC had on the community; how many people were served. Reflected on pages 10 and 11 are the BFWDC financial statement, information on revenue expenses, and the BFWDC balance sheet.

The data comes directly from the BFWDC audited financial statements. Schedule A is the BFWDC charity status on page 14. It outlines how much of the BFWDC revenue comes from the public. The BFWDC is well above the 33 percent threshold. Schedule B is a schedule of contributions. It lists out the BFWDC's significant contributions from individuals, organizations, as well as in-kind goods, and it is on page 22. Monique noted that Schedule B donor information was omitted from public inspection. Schedule D is supplemental financial statement information. The most crucial reconciliation on this schedule is the BFWDC financial statements to form 990. If there are any reconciling differences, Schedule D. Schedule I on page 29 is grants and other assistance to individuals or entities. There, CLA listed sub-recipient payments. Schedule O is supplemental information and answers required questions.

Emily thanked the BFWDC, Jan, DeAnn, Tiffany, and everyone else who helped with the audit and pulled information together. Emily reflected on how smoothly the audit went this year. She mentioned that she appreciated all the work getting ready for the audit procedures because it does take a lot of time to pull all the documentation for CLA. She said that the BFWDC makes the job of CLA easier.

Jan mirrored and thanked CLA for its consistent professionalism. She said that each year, the BFWDC does learn something and try to improve going forward. The BFWDC appreciated the input from CLA and the help with BFWDC practices. Jan communicated that she enjoyed the feedback CLA. Tiffany chimed in and thanked CLA for sharing their subject matter expertise and supporting the BFWDC. She said that the BFWDC values the continued working relationship and partnership. Todd thanked both Jan and DeAnn for the outstanding work this past year to make sure that the BFWDC finances were in excellent shape. He reflected that it takes a lot of work and expertise to keep finances in good space. Todd recognized the BFWDC fiscal team for the remarkable audit results.

### **Finance Reports as of 8/31/21**

Jan Warren presented the Corporate Entity balance sheet. She commented that there was very little change. It is a consistent statement from month to month. There was a bit of an increase in the BFWDC interest-bearing accounts. Just the year-to-date interest is the only activity that the BFWDC had for August.

Todd asked Jan how much money she thought the BFWDC could spend out of corporate entity funds right now that would not cause the organization any issues?

Jan responded that the accrued vacation is listed on the statement under liabilities, almost \$85,000. It is an estimate of what, if everyone took leave tomorrow, the BFWDC liability would be, and the way it is maintained is each quarter. Jan, I estimate or calculate everyone's accrued vacation and the associated taxes and benefits to payout. So that's adjusted, and then we treat that just like an expense or a credit, depending on which way it goes. Jan includes it on the draw. If it's more and the BFWDC needs to increase that account, she will request that money be drawn. If it's less money, then she creates a credit on the draw. The BFWDC transfers that money back into the operating account. It is almost \$85,000 and where we need to maintain it to make sure that the total assets are at least that. Jan states that if you look at the bottom of the statement, where it says net assets, that is the difference between the assets, the cash, and the liabilities. Jan shared that would be the maximum, although she does not recommend writing a check for \$60,000 and clearing that account because the BFWDC does not have any way of replenishing it.

Jan presented the balance sheet of the primary account. Not much changed from last month. It is a snapshot of where we were at the end of August. Jan pointed out that on CLA's balance sheet, when they shared the BFWDC financials, down under the liabilities, they had a payroll payable and then payroll tax payable. That is the traditional way to present, but because the BFWDC outsources payroll, the payroll payable and the associated taxes and benefits are all rolled into that Accounts Payable just on one line.

Jan shared that in the revenue section up at the top, she separated the block grant to track that separately from the Employment Security Department (ESD) grant/contract revenue. There are no big surprises in the expenditures, and everything is in line with where they're budgeted. And year to date is reasonable. She presented the balance sheet for the partnership. Again, very little change from the prior month, just the kind of the standard payables. The BFWDC does not have a lot of variance in how this account is presented. In looking at the statement of revenue and expenditures for the partnership. WSCB is just getting started in the year as far as a reopening. Most of the expenses are concentrated on the building and maintenance and are now in this current month coming up, starting to purchase supplies. The shredding contracts are back, and that can come into play. Jan expects that those other accounts will start to show activity in the coming months.

### **Chief Executive Officer Updates**

Tiffany Scott stated that her report would be minimal with a full presentation with slides at the Quarterly Board Meeting at 4:00 p.m. Tiffany commented that BFWDC staff members have been exploring new work. About two weeks ago, the BFWDC submitted a bid (\$500,000) to conduct outreach to historically disadvantaged communities through resources from the Department of Commerce. Locally the program has been named "Together We Rise." Tiffany commented that the BFWDC was one of 65 respondents to the Request for Proposals (RFP). The BFWDC should be notified of funding status by November 23. The BFWDC also responded to a Request for Information (RFI) from Career Connect Washington in the past month. Tiffany mentioned that it is still not known if there will be an RFP or not. Tiffany shared that the BFWDC is amid bidding on a local United Way grant. Tiffany communicated that resources would be utilized cautiously from the Corporate Entity account with BFWDC staff writing to opportunities outside the WIOA cluster. Todd thanked Tiffany for the update and the approach to diversifying BFWDC funding.

### **September 2021 Liaison Report**

David Chavey-Reynaud verbalized details from the most recent Liaison Report. The number of job seekers who are coming through WSCB has dropped. This is expected and a little bit seasonal and typical for this time of year. Those numbers should begin ticking up next month. COVID-19 recovery is reflected with steady figures. He said that the month-to-month numbers have dropped compared to 2020. WSCB is up 52% in total staff-assisted job seekers at 109%. Staff assistance services to job seekers continue to be very strong, and the number of businesses and staff provided companies served as well with 154% and 203%, respectively.

The Tri-Cities (TC) Futures section now includes the month-over-month numbers. Compared to last year, it is close in terms of the number of youth served, just a difference of a percentage. The Out of School Youth (OS) program has increased by 74%. TC Futures is sitting at 122 now, and it was 70 at the same time in 2020. David commented that some comparisons across the other data points still don't quite make sense due to reporting changes. For example, co-enrollment numbers are up to 500%. That's just because of how last year was reported versus how this year's comparisons are.

David pointed to the Title 1 programs employed outcomes section. He stated that we are doing very well here; the figures in green, the 99% in 82%, is the goal against the month-to-date target, which is just doing well. Those figures haven't been that high for a substantial period. This is an excellent position to be in.

David commented that the Community Development Block Grant (CDBG) section does not show placements or community. It will not happen for a month or two. Locally the service delivery focus is still on disaster recovery grant participants. CDBG is specifically for food banks, and that is where disaster recovery participants are placed.

The top occupations and top licenses and certifications have not changed all that much. The unemployment rate has gone up by point 3% in both Benton and Franklin counties. And again, that's kind of a seasonal shift. But compared to 2019, pre-pandemic levels were close in both their Benton County is just pointed 2% higher and Franklin County is point 3% Higher.

David shared that LinkedIn Learning is reported in the liaison report. During the first six months of the year, the figures were reported out during a pilot that BFWDC ran with LinkedIn learning. The pilot is over, and the BFWDC is utilizing licenses from the state contract. LinkedIn learning licenses are used with businesses, community partners, and job seekers. We have 700 licenses to use by July of 2022.

The WSCB customer satisfaction survey had a 92% return on positive referrals from friends and family. David said that WSCB completed the Wagner Pyser self-appraisal in September, including input from the entire partnership. The attempt was to align results with the migrant seasonal farm working monitoring feedback and what was gleaned during the certification process. He communicated that WSCB is continuing to join various sector-based advisory committees, including healthcare IT. The idea is to keep a pulse on workforce trends and continue to optimize pipelines.

David concluded that Benton and Franklin Counties are 92% COVID-19 job recovery from April 2020 to August 2021.

Todd thanked David for the excellent report that summarizes the impact of Benton Franklin Workforce Development Council, WorkSource Columbia Basin, and TC Futures has in the community.

Before moving on, Todd wanted to know if WSCB supports any of the large new or expanding businesses in Franklin County (Amazon, Darigold, Costco)?

Guest Crystal Bright stated that she is not aware that WSCB is receiving folks coming through that we are referring; she would need to check back in with the business service team to learn more about our involvement in the hiring efforts and what that looks like. Todd commented that he hopes that WorkSource is right in the middle of helping these employers with their hiring needs. Crystal communicated that she is confident that the business service team will step up to the challenge.

Todd shared that he noticed a post on Facebook about Goodwill teaming up with several financial institutions in the community to create offerings on managing a budget. Crystal communicated that WSCB does actively promote its financial courses via a calendar on WorkSource Washington. She recognizes that this is content needed for folks to be successful.

### **Executive Member Round Table**

Todd mentioned that he enjoyed the TRIDEC Coffee with Karl last Friday as the Pacific Northwest National Laboratory (PNNL) President, Steve Ashby was interviewed. Steve talked about the significant growth going on right now, with the finalization of a \$90 million Energy Sciences facility. PNNL is breaking ground on the new grid storage Launchpad, next-generation battery research, and development facility, a \$70 million research facility at the lab. PNNL is getting \$1.3 billion of revenue this last year and 5500 staff. PNNL has a goal to grow by another 350 teams this year. Amanda Jones asked if Todd had noticed if the new PNNL staff are moving to the Tri-Cities? Or are they working from home? Todd responded that the Department of Energy is not allowing PNNL to relocate anybody to the Tri-Cities right now. The people hired are all working remotely until the COVID situation decreases.

### **Next Meeting**

Executive Committee Meeting – Tuesday, November 30, 2021, at 4:00 p.m. – Zoom  
Quarterly Full Board Meeting – Tuesday, January 25, 2022, at 4:00 p.m. – Zoom

### **Adjournment**

The meeting of the Executive Committee adjourned at 3:51 p.m.

Respectfully Submitted

Todd Samuel, Board Chair

Date

Tiffany Scott, CEO

Date