

# MINUTES

WIRC Board of Directors Meeting and  
WIRC-CAA Board of Directors Meeting

July 28, 2016

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The joint meeting of the Boards was called to order at 5:05 pm by WIRC Board Chair Chuck Gilbert in the WIRC offices.

## **WIRC Board Present**

Chuck Gilbert  
Mike Kirby  
Lowell Lueck  
Jim Nightingale  
Chad Sperry  
Lee Trotter

## **CAA Board Present**

Rick Barnhill  
Dennis Castlebury  
Gay Dickerson  
Alice Henry  
Nancy Jameson  
Jeff Podhajsky  
Carla Teslicka  
David Walker  
Don Wynn

## **Others Present**

Suzan Nash, Executive Director  
Tracy Camden, Fiscal Director  
Kevin Wiehardt, CS Director  
Rose Elam, Admin. Asst.  
John Hemming, WIPFLi  
Michelle Langhout, The Voice

**APPROVAL OF MINUTES.** The May 18, 2016 Joint Board Meeting Minutes were approved as presented, with a motion by Jameson and a second by Teslicka. The motion passed unanimously.

**2015 ANNUAL AUDITS.** Nash introduced John Hemming, CPA and Partner of WIPFLi. She said that while the Boards were emailed draft copies of the audits, Hemming will present summaries, and once approved and finalized, Nash will email them a final copy, if requested. Approval by the Boards is required to finalize the audits.

**WIRC Audit.** Hemming began by stating the WIRC is a governmental entity, so its audit looks different than the CAA audit.

Starting on Page 2, the components of the WIRC financial statements are listed, very similar to prior years. The WIRC received an unmodified opinion, or clean opinion; there are no modifications to the standard audit report.

Page 3-13 is the Management's Discussion and Analysis, which lists the more significant events of the agency's financial year, as provided by staff. WIRC had a positive change in its net position of \$94,491 in 2015, compared to \$40,626 in 2014. In governmental funds, the total fund balance increased by \$104,983 in 2015, compared to \$45,521 in 2014. Grant and program admin fees, interagency revenue and other local revenue provide about 90% of the agency's revenue.

Hemming highlighted parts of Pages 4-8 which are a synopsis of key financial activities in 2015, resulting in WIRC's financials. There are a lot of different activities the agency is involved in; the variety is good.

Beginning on page 9 are factors concerning WIRC's future in the next 1-3 years. The State's budget impasse continues to be a concern for the WIRC, the CAA and the region. Nash's retirement in 2016 and other senior staff retirements are a reality and succession planning is a key element to successful passing of knowledge forward.

Starting on Page 14, the Statements of Net Assets, gets into the numbers part of the summary. Hemming pointed to the following:

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Assets	\$ 587,345	468,484	414,019	464,956
Total Liabilities & Net Position	587,345	468,484	414,091	464,956

Over four years of activity, these figures have remained fairly consistent. 2015 figures are a snapshot in time, as of December 31, 2015. The cash balance at the end of 2015 is the highest it has been in four years, at \$329,305. Hemming pointed to the USDA Well Loan asset of \$44,933 and explained that there was a direct correlation to the Restricted Liabilities figure of \$47,318, which indicates the funds loaned out as well as paid back. They are restricted as they are specific to that loan program. The Unearned Revenue liability of \$41,970 was a significant increase over 2014, which usually happens when funds are advanced, and that figure will become earned revenue as work is done and billed for.

Page 15 indicates the beginning and end of the year fund balances for the last four years, as follows. Hemming stated that 2015 was a very good year from a financial standpoint. WIRC's total revenue is down a little bit but overall expenses were managed well, and were also down.

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Fund balance – beginning of year	\$ 361,568	320,942	297,872	270,333
Fund balance – end of year	456,058	361,568	320,942	297,872

Auditors like to see available unrestricted net assets of 5-10% of annual revenue, in case of shortages or disruptions in funding. Page 16 shows that WIRC is well above that benchmark. The recommended balance should be between \$60,215 and \$120,430.

WIRC 2015 annual revenue = \$1,204,300  
WIRC 2015 unrestricted net assets = \$386,624

The WIRC had a great year from an audit perspective. Hemming asked if there were any questions.

Hearing none, it was moved by Nightingale and seconded by Lueck to approved the WIRC 2015 audit. The motion was approved unanimously by the WIRC Board.

**CAA Audit.** The CAA also received an unmodified opinion. There were no deficiencies and no instances of non-compliance. Because the CAA is a non-profit, the financial statements are different than the WIRC's. Hemming reviewed the parts of the CAA audit, Pages 2-3.

Additional information, required to be disclosed, is as follows:

- Schedule of Expenditures of Federal Awards;
- Notes to Schedule of Expenditures of Federal Awards;
- Schedule of Revenue and Expense - Domestic Violence Program; and
- Schedule of Revenue and Expense – Sexual Assault Program

This is the first year that the CAA was subject to Uniformed Guidance, the result of combining eight different circulars into one. There were a few minor changes to the audit, which Hemming will point out. He complimented Camden and fiscal staff for her preparation dealing with the Uniformed Guidance and gave kudos to operational staff as well.

This year, WIPFLI tested one major program, LIHEAP/Weatherization. The selection of major programs is based on a threshold of \$750,000 (prior threshold was \$300,000). Hemming assured the Boards that all programs are reviewed and reconciled, and that all funds are reported and accumulated properly.

The CAA was determined to be a low risk auditee. To receive the low risk auditee status, agencies must have unmodified opinions on their past two years' audits; and have no findings in the financial reporting or the major program that was selected; and no material weaknesses and no material non-compliance.

The following is reflected on Page 5 and 6:

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Assets	\$ 1,582,588	1,687,212	1,580,097	1,868,957
Total Liabilities and Net Assets	\$ 1,582,588	1,678,212	1,580,097	1,868,957

Hemming noted that Cash was down from \$512,312 in 2014 to \$299,137 in 2015. He said Camden probably reported the struggles that the CAA has had in getting funds from the State or reduction in funds. CAAs have to act as a bank, operating primarily cost reimbursement type grants. The agency has to incur expenses, then request funds. The CAA is guaranteed those funds through a grant agreement; what is not guaranteed is how fast it gets reimbursed.

Teslicka asked about the figure under Assets, Housing Inventory, which was \$353,987 in 2012, but zero in the subsequent years. Camden explained it was due to the IHDA CHDO program, where the agency purchased homes, rehabbed them, and then sold them. The program ended. Hemming pointed to the figure of \$198,000 under Assets, Loans Receivable, Housing Development which appears in all of the last four years. He said this is from Village at Wheeler. When looking at the Liabilities, Loans Payable, the \$198,000 is also listed the last four years. It is a wash between assets and liabilities.

Looking at Statement of Activities on Page 7, there was nearly a \$40,000 loss. Grant Revenue for 2015 of \$3,411,158, compared to \$4,190,210 in 2014, resulting in a \$700,000 loss. To manage expenses when the CAA faced challenges of funding holdouts and cuts, Hemming considered the loss good.

On Page 8, the available unrestricted net assets should be equal to 5-10% of annual revenue.

CAA 2015 annual revenue =	\$3,752,327
CAA 2015 unrestricted net assets =	463,280

The recommended balance should be between \$187,616 and \$375,232, so the CAA is well above 10%. While a decrease was experienced, CAA is still has a positive unrestricted net asset balance.

Hemming said the CAA's current ratios are outstanding for this snapshot in time (pages 9, 10 and 11):

- Current Ratio of assets to liabilities is 388.70%. This means CAA could pay its bills 4 times over.
- Average days cash on hand is 20.5. Anything over 15 is good.
- Average days in accounts receivable = 50.5. In 2014, it was 36.2. This shows the difficulty staff has had in receiving funds.
- Average days in accounts payable = 13.8
- Average expenses per day = \$14,585. While down from previous years, there is still a lot of money flowing through the agency on a daily basis. This is a testament to fiscal and administrative staff for great controls and handling the money properly.
- Administrative expenses to total expenses = 7.06% compared to 5.97% in 2014. This can be attributed to a reduction in overall grant revenue. This is a reasonable ratio. As a CAA, its mission to serve its region is reflected in this ratio. Discussion followed about keeping this ratio low.

Podhajsky asked about the unrestricted net assets. If the agency is well above that, should it be investing? Hemming responded that the CAA has put itself on solid ground but the question is - what is it doing from a strategic planning point for the next 3-5 years? Staff and Board need to look at its strategic plan, cash, resources and built up reserves to determine whether to invest, or expand a program. Those are management decisions. But as of December 31, the situation is not great as far as cash perspective and timely payments from the state. That should improve first. Hemming continued saying our decisions should not be based on cash increases but on what WIRC's strategic plan says.

Hemming asked if there were any other questions. Hearing none, Jameson moved to approve the 2015 CAA audit as presented; Castlebury seconded the motion. The motion was approved unanimously by the CAA Board.

**990 REVIEW/APPROVAL.** Hemming referred the CAA Board to their copy of the IRS 990 Form and is asking their approval to file it. Board approval of the CAA audit was the first action needed. Audit information as well as the financials is included in the 990. Basically, this year's 990 is updated information with 2015 numbers. Hemming asked if there were questions? Hearing none, WIPFLI is ready to file the form with the Board's permission. Teslicka moved to file the CAA's 990 form, Barnhill seconded her motion. The motion was approved unanimously.

Nash thanked Hemming for his presentation. She also thanked Camden for her audit preparations.

**FISCAL REPORTS.** Camden began with the WIRC Statement of Revenues and Expenditures for the 2nd quarter period, April-June, 2016, showing the following figures.

		<u>Year to Date Actual</u>
Total revenues	\$ 290,747	560,076
Total expenditures	311,859	619,939
Excess expenses over revenues	(21,111)	(59,863)

She likes to focus on the YTD actual figures. The majority of the loss is due to the receipt of dues, which starts in July after dues letters go out. Staff’s time and expenses writing grant applications has also caused that loss but once the applications are submitted, the communities will be billed. This is a typical report for second quarter financials. Direct Client Assistance is out of sync because \$16,000 was budgeted for the USDA Well Program and there have been no applicants/activity.

Camden asked if there were any other questions.

Hearing none, she continued with the WIRC-CAA Statement of Revenues and Expenditures for the same period. The report shows the following figures.

		<u>Year to Date Actual</u>
Total revenues	\$ 712,523	\$ 1,623,663
Total expenditures	734,694	1,649,504
Excess expenses over revenues	(22,170)	(25,841)

The loss can be attributed to the IHDA CHDO program, where houses were bought, rehabbed, and sold. The money received from the home sales was recorded as revenue. Now that the money is being spent down, in this case, \$5,000, it is an expense, but the revenue was recorded in 2014. There was also an \$8,000 overage in Weatherization administration which staff anticipated. There was also an \$8,000 overage in the Sexual Assault grant. The grant was awarded, expenses were kept at a minimum, but July 1, 2016, after the program was over, it ended up being cut to 65% of original funding, from \$166,000 to \$110,000. Services to clients were maintained using money from donations. This year’s grant was also cut to 65% of original funding for the period July-December. At least staff know in advance this time but won’t know what to expect in January.

Camden pointed to Direct Client Assistance being off due to expenditures made finishing up the grants for the state’s fiscal year, ending June 30. There is a corresponding State Grant Revenue figure, which was higher than budgeted.

Walker asked about the travel overage. Camden said there was Weatherization training travel revenue that was used by staff this quarter or it would have to be returned.

Sperry was surprised that the CAA could get by with \$3,000 in computer purchases in a year. Camden responded that at year’s end, there was more spent than the \$3,000 budgeted to buy more computers. The State is attempting to reduce paper usage in the Weatherization program, so there were funds to buy tablets.

**MONITORING CORRESPONDENCE.** Nash referred the Board to the handouts which contained the full monitoring letters/reports:

- Illinois Coalition Against Sexual Assault. It was indicated that our service percentages need to be up to 75% from the current 72%.
- Illinois Department of Commerce and Economic Opportunity – Energy Assistance. Fiscal monitoring of the LIHEAP and Weatherization programs was done with no findings or questioned costs. A programmatic field monitoring visit of the Weatherization Program was conducted with a good report. A checklist for future file content documentation was left with staff.
- Illinois Department of Commerce and Economic Opportunity – Community Development. A Community Services Block Grant monitoring visit was conducted. More disabled outreach was indicated; a comprehensive risk assessment completed by September 2017; a strategic plan should be done by the same date; a customer satisfaction survey should be developed with results presented to the Board on an annual basis. Regarding the Boards: more Board training; a Board self-evaluation should be performed by members annually; conduct a performance assessment of CSBG annually; provide a copy of the Organizational Standards Category 5 Board Governance to the Board. Nash will be giving the Board that document at a future meeting when Organizational Standards are reviewed/discussed.

**EXECUTIVE SESSION.** None

**SEARCH/STRATEGIC PLAN COMMITTEE'S REPORTS.** A handout was provided which gave an account of the Executive Director Search Committee's latest activities. Four candidates over two days were interviewed on June 28 & 30. A finalist has been selected. References are being checked by WIPFLI's HR department on two candidates. The process was started this week and a special meeting will probably be called to hear the Search Committee's recommendation.

A Letter of Engagement was signed with WIPFLI's Planning Department to continue using their Strategic Plan development services. A day long retreat for the Strategic Plan Committee is scheduled for August 10 to develop short and long term goals.

**CAA BYLAW REVIEW.** Nash asked if there were any questions or amendments regarding the Bylaws she sent to the Board electronically. Jameson made a motion to accept the Bylaws as currently written. Podhajsky seconded the motion. The motion was approved unanimously by the CAA Board.

**CEDS DISCUSSION/ADOPTION.** Nearly a year ago, staff began working on the update/rewrite of the Comprehensive Economic Development Strategy, which is required by the Economic Development Administration every five years. The document has been completed and its 30 day public and comment period review just ended. Comments are still coming in. Gilbert and Sperry had reviewed the document and provided feedback. The WIRC Board received an electronic copy in June. Nash passed around a completed, bound copy for the Board to see. Sperry commented that it was an excellent document and he enjoyed reading it. Input from a stakeholders meeting in March of about 50 people was gleaned for the document. A motion is needed from the WIRC Board to adopt the CEDS. Sperry made a motion to adopt the CEDS as presented. Kirby seconded the motion. The motion was approved unanimously.

**EDA MATCH RESOLUTION.** A resolution to authorize the execution and amendment of an Economic Development Administration grant contract was presented for consideration, as well as being sent electronically ahead of the meeting. Nash informed the Board that the application is to be submitted to EDA by August 15. The \$53,000 allows WIRC to provide technical assistance to communities and counties. WIRC has to match that with \$53,000 from local funds provided as dues by the six counties in the WIRC's service region. Trotter made a motion to approve signing the resolution. Lueck seconded the motion. The motion was approved unanimously by roll call vote.

**NEEDS SURVEY DISCUSSION/COMPLETION.** Both Boards are asked to complete the needs survey as part of the annual CSBG Community Action Plan to be submitted in August. Nash asked that they turn in their survey that they were sent electronically at this time. She had blank copies to give out if needed.

**COMMUNITY ACTION/HOUSING REPORT.** Wiehardt presented the written report he had prepared as of June 30. It gives information per program about number of applications taken, apps approved, funds spent, and budget.

- The LIHEAP program. Staff know that there will be a winter heating assistance program, and State LIHEAP monies will be available in addition to federal monies. Last year, we did not know at this time whether State LIHEAP monies would be available. September 1 begins appointment-making for those 60 & over and disabled; households with children under 6 can call in October; and November 1 begins general public appointments.
- The Weatherization (WX) Program was completed June 30 for the program year, with 53 homes being weatherized at a cost of \$398,249.
- CSBG. The Scholarship Program application and selection process has been complete. As can be seen by the figures provided, the CSBG program spends most of its funds in the second half of its fiscal year.
- Emergency Food & Shelter Program. See report.
- CDAP Housing: Nine housing projects are currently under contract. The newest ones are going through the preliminary environmental process.
- IHDA Housing: Nothing to report at this time but staff anticipate a Home Modification Program for elderly and disabled households as well as another Blight Reduction Program. An Abandoned Property Program may be available, which would be suitable for smaller communities. The Macomb Blight Reduction Program has completed the necessary paperwork and can proceed with purchasing properties. Wiehardt complimented Macomb's Community Development Coordinator and City Attorney for their assistance. Teslicka asked how many homes will be part of the program? Wiehardt replied 30.
- Nash referred the Boards to the Transitional Housing, Homeless Prevention and Village at Wheeler written reports.

**COMMUNITY DEVELOPMENT REPORT.** Nash read highlights from the written reports prepared by staffpersons Nathan Cobb, Tim Lobdell, Josh Mercer, Kevin Wiehardt and herself and presented the following information:

- Current public facility projects. WIRC is currently administering 22 public facility CDAPs. Program progress was detailed in the report.
- Staff are preparing public infrastructure applications for Bushnell, Carthage, Dallas City, Havana, Joy, London Mills, Macomb, Victoria, and Warsaw, to be submitted September 30.
- WIRC will submit the following housing rehabilitation applications by September 30: Bushnell, Canton, Cuba, Galesburg, Macomb, Monmouth and Stronghurst.
- The Economic Development District semi-annual progress report was submitted in April. The narrative has been provided as a handout.
- Public Transportation. The City of Macomb utilized \$780,000 in federal grant funds to purchase two 30 foot New Flyer buses for fixed route operations. Downstate monies were swept, preventing Hancock County from proceeding with the purchase of land and construction of a public transportation vehicle storage building. Hancock County was able to purchase a new 14 passenger vehicle through the CVP (Consolidated Vehicle Procurement) program to replace a vehicle with high mileage. Funding for FY 16 was awarded to Hancock County in the amount of \$212,400 and to Macomb for \$2,607,300 in Downstate Operating Assistance funds. FY 16 and FY 17 allocations were approved through the stop gap budget.
- Nash referred the Boards to the written Tri-County recycling report. June set an all-time record for electronics being collected at nearly 120,000 pounds. The average monthly intake has been 28,000 pounds. Staff think they are making headway with electronics collections until something baffling like this happens.

**VICTIM SERVICES REPORT.** Nash presented the written report prepared by Victim Services Director Diane Mayfield. The report contains information for the fourth quarter, July 2015-June 2016, and reflected the following highlights:

	<b>Domestic Violence</b>	<b>Domestic Violence</b>	<b>Domestic Violence</b>	<b>Domestic Violence</b>
	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>
Total new & ongoing				
clients	145	75	41	88
Counseling hours	230	193	224	287
Hotline calls	473	347	264	261
Shelter nights	17	0	2	5

	Sexual Assault	Sexual Assault	Sexual Assault	Sexual Assault
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total new & ongoing				
clients	42	31	9	43
Counseling hours	147	37	81	102

Nash reiterated what Camden had mentioned, that through the stop gap budget, only 65% of funding was received by the Sexual Assault Program.

Client service numbers were up with both programs. In the Domestic Violence Program, client numbers were up 16% over FY 15, with service hours up 34%. The Sexual Assault Program saw a 37% increase in clients over FY 15, with service hours increasing 24%.

A new hire was reported, that of Rachel Odom, as the DV Legal/Children’s Advocate.

Nash read staff’s statement of appreciation to the Board, which thanked the Boards for their support in helping to keep Victim Services doors open.

**CAA BOARD ELECTION.** The 2016-2017 proposed slate of CAA Board of Directors was presented for consideration:

Chairperson David Walker  
 First Vice Alice Henry  
 Second Vice Don Wynn

Board members:

Erin Anderson	Nancy Mowen
Rick Barnhill	Jeff Podhajsky
Dennis Castlebury	Janet Schreck
Gay Dickerson	Lori Sutton
Gregg Huston	Carl Teslicka
Nancy Jameson	Patti Weston

As there were no nominations from the floor, Teslicka made a motion to approve the slate as presented. Wynn seconded the motion. The motion was approved unanimously.

**OTHER BUSINESS.** A special meeting may be called to receive the Search Committee’s Executive Director’s recommendation, as well as approving the CSBG Work Program. Camden announced a success story – the CAA’s CSBG Apprentice that worked with WIRC for several months was able to obtain a full time job with the McDonough County Housing Authority.

**ADJOURNMENT.** As there was no other business and no public comments, the meeting was adjourned at 6:28 pm with a motion by Walker and a second by Henry. The motion carried and the meeting declared adjourned.